

**Agenda Item No 5**

**Planning and Development Board**

**6 March 2023**

**Report of the  
Head of Development Control**

**Planning Enforcement Plan**

**1 Summary**

- 1.1 A review has taken place of the Council's existing Planning Enforcement Plan and the Board is being recommended to adopt the new version and as a consequence, to recommend that the Council approves amendments to the Council's Constitution in respect of related delegated powers.

**Recommendation to the Board:**

- a That the Planning Enforcement Plan attached to this report be adopted, and**
- b That a recommendation is made to Council to change the Council's Constitution so as to reflect the necessary amendments to the Scheme of Delegation.**

**2 Consultation**

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

**3 Introduction**

- 3.1 The Council last adopted its Planning Enforcement Plan in 2010. Since then, some legislation has changed, new legislation introduced, and the duties of officers have changed. It is thus time to review that Plan.

- ... 3.2 The proposed Plan is at Appendix A.

- 3.3 During the preparation of the proposed Plan, there has been cross-party Member consultation on its content and changes have been made to the proposed Plan as a consequence of this involvement.

**4 Observations**

- 4.1 Apart from bringing the factual content up to date, the opportunity has been taken to simplify the Plan and to clarify a number of matters. The main ones are brought to the attention of Members.

- 4.2 First, Members are asked to endorse the need to prioritise cases and thus to review the Priorities set out in Section 4 – paras 4.6 to 4.8.
- 4.3 Secondly, there are significant changes made to the decision-making process. Members will be familiar with the current system of officers seeking authorisation to commence formal enforcement proceedings from the Board except in cases where immediate or emergency action is needed. The Plan proposes a greater degree of delegation with only the most significant cases referred to the Board. This is set out in Section 10.
- 4.4 Members will be familiar with the referral system in the determination of planning applications, whereby affected Members receive an officer's report, setting out the planning background to a case leading to a recommendation. Members have the opportunity to request referral of the application to the full Board for determination. It is proposed to replicate this procedure in the case of seeking authorisation to commence enforcement proceedings. Para 10.4 outlines the process by which Members will be involved in this consultation. It should be noted that "any" of these Members can refer the case to the Board. It is considered that this "referral" system has worked well in the planning application process providing necessary Member scrutiny. It is thus proposed to repeat it in the enforcement process.
- 4.5 If the content of Section 10 is agreed by the Board, there will need to be consequential changes to the Council's Constitution in respect of delegation to officers. Appendix B contains the Scheme of Delegation currently in the Constitution which would need to be amended to incorporate the proposed arrangements in the Enforcement Plan'. Specifically, it is recommended that the Head of Development Control and the Head of Legal Services are delegated authority to take enforcement action in accordance with the Enforcement Plan. . If Board agree these amendments in principle, then it will be necessary to recommend that Council adopts them, since the Constitution provides that only Council, may adopt or change the Constitution.
- ...
- 4.6 Thirdly, one of the most difficult aspects of enforcement work is communication - particularly with those who report alleged breaches of planning control. As a consequence, Sections 5 to 8 of the Plan have been drawn up to make this more effective.
- 4.7 Fourthly, the other most difficult aspect of enforcement is that the content of the relevant legislation is very often not that which those who report matters to us, were expecting – i.e. it is not illegal to undertake development without the appropriate planning permission and thus any subsequent enforcement action is not mandatory. The Plan explains this in Sections 3 and 9, but explanations as to why action may not be taken, still often take up considerable time and it can lead to more time being spent on this, than the actual investigation itself.
- 4.8 Finally, Members often play an important role in liaising between officers and their constituents who report matters to the Council. This is recognised at Section 5.5. Advice and guidance are always available to Members. Additionally, although not contained in the Plan, it is proposed that all

Members will receive a schedule of cases – akin to the Weekly Planning application list – every quarter so that they can be kept abreast of those in their Wards.

## **5 Report Implications**

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

5.1.1 There are no implications as the procedures set out in the Plan are covered by existing budgets. Retrospective planning applications do attract planning fees.

### **5.2 Safer Communities Implications**

5.2.1 The Plan makes it clear that sometimes planning enforcement action is not the most appropriate course of action and lists other relevant legislation. Often joint investigations will be needed with representatives from other Agencies. Referrals to other Agencies will be warranted when necessary, such as the Police.

### **5.3 Legal, Data Protection and Human Rights Implications**

5.3.1 Whilst planning legislation does not make it illegal to carry out development without planning permission in every case, the Plan does identify those instances where such works will be a criminal offence and thus a different procedure has to be followed

5.3.2 The right to privacy of those reporting alleged breaches of planning control together with the need to keep their personal data secure, is recognised in the Plan. Advice will be sought from Legal Services where necessary in these cases.

5.3.3 The evidence gathering process in relation to formal enforcement proceedings and prosecution of any offences will comply with the appropriate legislation and advice will be sought from Legal Services where necessary in these cases. The Council's other policies relating to these matters will also be followed.

5.3.4 When assessing whether it is expedient to take enforcement action the impact on human rights and the health and well-being of individuals will be taken into account to the extent permitted by legislation and case law.

### **5.4 Environment, Sustainability and Health Implications**

5.4.1 Breaches of planning control undermine the Council's planning policies as set out in its Development Plan as well as in the process of making planning decisions which are based on environmental, sustainability and health objectives.

## 5.5 Human Resources Implications

5.5.1 The investigation of breaches of planning control and following them through to formal Court proceedings where necessary, can involve the possibility of either the physical or verbal abuse of officers. Procedures are in place to reduce this occurrence.

## 5.6 Equalities Implications

5.6.1 There are times when personal circumstances can amount to a material planning consideration as the Council has Duty under the Equalities Act to take account of such matters where appropriate. In such a circumstance, it will be necessary to apportion a weight to those circumstances when an assessment is made as to whether it is expedient to take enforcement action.

## 5.7 Links to Council's Priorities

5.7.1 The protection of the Borough's rural character and environment is supported by appropriate enforcement processes in conjunction with the making of planning policy and the determination of planning applications.

The Contact Officer for this report is Jeff Brown (719310).

### 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

## 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	Planning Enforcement Plan
Officer Responsible for assessment	Head of Development Control

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 could it 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
<b>Racial</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals
<b>Gender</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals
<b>Disabled people</b>		X	Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals. However, in certain circumstances the human rights of a disabled person and the need to meet the Council's equalities Duties, may become a material planning consideration in the decision as to whether to take action.
<b>Gay, Lesbian and Bisexual people</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals
<b>Older/Younger people</b>		X	Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals. However, in certain circumstances the human rights of an older person and the need to meet the Council's equalities Duties, may become a material planning consideration in the decision as to whether to take action.

<b>Religion and Beliefs</b>		X	Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals. However, in certain circumstances the human rights of a person and the need to meet the Council's equalities Duties, may become a material planning consideration in the decision as to whether to take action
<b>People having dependents caring responsibilities</b>		X	Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals. However, in certain circumstances human rights and the need to meet the Council's equalities Duties, may become a material planning consideration in the decision as to whether to take action
<b>People having an offending past</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals
<b>Transgender people</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals
<b>Armed Forces Covenant</b>			Planning Enforcement action is based on the development of land and its impact on planning policies, not on individuals

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



# North Warwickshire Borough Council

## Planning Enforcement Plan

**\*\*March 2023\*\***

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## 1 INTRODUCTION

1.1 This planning enforcement plan sets out in detail North Warwickshire Borough Council's approach on how suspected breaches of planning control are dealt with. This plan accords with current government guidance, the National Planning Policy Framework (NPPF) and with the Council's Corporate Enforcement Policy which seeks to promote compliance with all relevant legislation in the consideration of taking formal action.

1.2 Paragraph 59 of the NPPF states:

*“Effective enforcement is important to maintain public confidence in the planning system. Enforcement action is **discretionary**, and local planning authorities **should act proportionately** in responding to suspected breaches of planning control. They should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where appropriate.”*

1.3 North Warwickshire is committed to providing an effective planning enforcement service for its residents, businesses, and organisations within the Borough. It also has regard to the provisions set out in the [Governments Regulators Code](#) which although it does not expressly apply to planning enforcement, provides useful guidance on how policy on enforcement is formulated.

1.4 Importantly, the Council considers the disregard of planning regulations as a serious matter. The relevant permissions or consents should always be sought prior to undertaking any form of development, works to trees or display of advertisements. Appropriate action will be taken in accordance with this plan, where it is deemed reasonable and necessary to do so, as set out in paragraph 59 above. The objective of enforcement action is about compliance, not punishment.

1.5 This plan sets out how planning enforcement cases will be investigated, monitored, and managed at North Warwickshire Borough Council.

1.6 In particular:

- a) The standard of service our residents can expect from the reporting of a suspected breach of planning control, how the investigation will be processed through to the outcome.
- b) To define priorities for the cases received, in order that resources can be best utilised, corresponding with the nature of the reported breach.
- c) To ensure that our approach with all parties, continues to be courteous, consistent, fair, and transparent.
- d) To set timescales so that delivery of the service can be monitored, measured, and reviewed.
- e) To ensure continued compliance with relevant Government legislation and guidance.
- f) To provide an annual report to the Council's Planning and Development Board regarding cases logged, investigated and action taken.
- g) To monitor and review this policy to include consideration and re-evaluation of customer needs.

## 2 GOVERNMENT GUIDANCE & LEGISLATION

2.1 The planning enforcement function will be undertaken in accordance with current and emerging Government guidance and legislation. We will utilise and apply the most appropriate legislation, dependent upon the nature of the breach, to address the issue and to achieve both a satisfactory, timely and proportionate outcome.

2.2 Whilst the primary legislation used in planning enforcement is the [Town and Country Planning Act 1990](#), we also utilise other legislation and guidance where appropriate, including:

- [The Town & Country Planning \(General Permitted Development\) Order 2015, as amended](#)
- [The Town & Country Planning \(Use Classes\) Order 1987 \(as amended\)](#)
- [The Town and Country Planning \(Control of Advertisements\) Regulations 2007](#)
- [Planning \(Listed Building and Conservation Areas\) Act 1990](#)
- [National Planning Policy Framework \(NPPF\)](#)
- [Planning Practice Guidance](#)
- [Human Rights Act 1998](#)
- [Regulation of Investigatory Powers Act 2000 \(RIPA\)](#)
- [Anti-Social Behaviour Act 2003 \(high hedges\)](#)
- [Anti-Social Behaviour, Crime and Policing Act 2014 \(CPW/CPN\)](#)
- [Environmental Protection Act 1990](#)
- [Police and Criminal Evidence Act 1984](#)

2.3 In addition to the government guidance and legislation detailed above, any formal enforcement action will be led by policies within the Council's adopted [Local Plan](#) and where relevant, any [Neighbourhood Plans](#).

### 3 WHAT IS PLANNING ENFORCEMENT?

3.1 The planning enforcement function of the Council is led by a team of Officers within the wider Development Control service, under the supervision of the Development Control Manager and the Head of Development Control.

3.2 Section 171A of the Town & Country Planning Act 1990 (as amended) defines a breach of planning control as:

*“Carrying out development without the required planning permission or failing to comply with any condition or limitation subject to which planning permission has been granted.”*

3.3 It’s important to know that there are time limits in which enforcement action can be taken and if these limits have been exceeded, any unauthorised development will be immune from enforcement action, regardless of whether permission would have been required for development or not.

3.4 Section 171B of the 1990 Act defines the time limit for enforcement action as follows:

- *“Where there has been a breach of planning control consisting in the carrying out without planning permission of building, engineering, mining or other operations in, on, over or under land, no enforcement action may be taken **after the end of the period of four years** beginning with the date on which the operations were substantially completed.*
- *Where there has been a breach of planning control consisting in the **change of use of any building to use as a single dwellinghouse**, no enforcement action may be taken **after the end of the period of four years** beginning with the date of the breach.*
- *In the case of any other breach of planning control, no enforcement action may be taken **after the end of the period of ten years** beginning with the date of the breach.”*

3.5 Notably there are breaches of control, such as unauthorised works to a Listed Building or the demolition of an unlisted building in a Conservation Area that have no time limit immunity.

3.6 It is also important to detail what is **NOT** a breach of planning control. The Council can often receive reports regarding matters for which it has no legislative power to resolve or investigate.

3.7 Where a matter is reported for which the Council has no enforcement powers, whenever possible, the Council will signpost people to the relevant body where further assistance may be provided. A list of useful contacts can be found at the end of this plan. The most common non planning related reports are:

- **Land ownership/boundary disputes, trespass, breaches of covenants on title deeds, Party Wall concerns**

These matters are civil and should be pursued elsewhere, often involving seeking private legal advice if necessary.

- **Loss of property value, loss of view and business competition**

These are not planning considerations. The planning system protects the wider public interest and not the interests of individuals.

- **Building Regulations Matters or Dangerous Structures**

These matters are investigated by the shared [Central Building Control Service](#) phone: 0300 111 8035. The out of hours emergency number is (01527) 64252 extension 3316 and is manned by Redditch Borough Council.

- **Health and Safety Matters**

The Health and Safety Executive is responsible for enforcing H&S at various workplaces including factories, farms, **building sites**, schools and colleges, fairgrounds, etc.

You can find out more detail on Health and Safety issues that are not dealt with by the HSE through using the link below.

[https://www.northwarks.gov.uk/info/20109/health\\_and\\_safety/1095/health\\_and\\_safety\\_advice](https://www.northwarks.gov.uk/info/20109/health_and_safety/1095/health_and_safety_advice)

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## 4 ENFORCEMENT OBJECTIVES & PRIORITIES

4.1 North Warwickshire Borough Council currently receives on average 350 registerable planning enforcement complaints and 700 planning applications each year. Conditions which are attached to planning approvals also require monitoring and further action if they are not adhered to.

4.2 Unfortunately, it is not possible to investigate all complaints immediately. Each case will thus be prioritised, dependant on the nature of the alleged breach and the level of potential planning harm it creates.

4.3 Investigations can often be lengthy, technical, and legally complex, particularly if formal action is required. They can be reliant on relevant case-law as well as planning appeal decisions. Due to this workload and the limited resources available, it is necessary to prioritise cases and to target resources in the investigation of cases. The following objectives will be followed in all investigations:

- To communicate both verbally and in writing, in clear terms, and to avoid jargon wherever possible.
- To focus on remedying the breach of planning control without formal action, either by negotiating an alternative solution, for example through voluntary cessation of the breach, or by the submission of a retrospective planning application, where possible.
- To take timely and proportionate action where it is necessary to do so, and only when the negotiation process has failed, (where that is applicable and/or appropriate).
- To continue to develop joint working with both internal and external bodies.
- To ensure that all officers treat everyone involved in the process, in a respectful, equitable, impartial, fair, and transparent way.
- To update and inform complainants of the progress of their case including the outcome.

- To provide clear information regarding the enforcement function and processes on platforms which are easily accessible to a wider variety of people and organisations.
- Whenever possible, electronic methods of communication will be used to communicate with all parties, except where the relevant legislation states otherwise (e.g.- formal notices) or is not applicable to a party involved in the investigation.

4.4 When reports are received alleging unauthorised developments, they will be prioritised. However, a case may change priority as the investigation progresses depending on the nature of the breach.

4.5 All reports received with the requisite information as set out in Sections 5.3 and 5.6 will be **registered and acknowledged within 3 working days**. These will then be actioned in accordance with timescales dependent on the priority level as detailed 4.6 to 4.8.

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#### 4.6 **Category 1 - High Priority**

This applies where the alleged breach is a serious threat to or where there is likely to be, a substantial detrimental effect in planning terms to the built or natural environment.

With high priority cases a member of the enforcement team will action<sup>1</sup> the case as soon as possible (usually within one working day) following its acknowledgement.

**High priority** cases will include reports referring to:

- Unauthorised works to Listed Buildings or impact on their setting.
- Unauthorised works to protected trees (protected by TPO or in Conservation Area).
- Demolition of non-listed building in a Conservation Area.
- Unauthorised large scale works within the Green Belt.
- Breaches of control approaching time limit immunity (that cause serious harm).
- Existing cases subject to a formal notice, appeal decision or court action.

#### 4.7 **Category 2 - Medium Priority**

Cases where operational development or changes of use of land and/or buildings potentially cause harm to the amenity within the immediate or surrounding area of the site. These could include non-compliance with planning conditions.

With medium priority cases a member of the enforcement team will action<sup>1</sup> the case within 10 working days following its acknowledgement.

**Medium priority** cases will include reports referring to:

- Unauthorised developments contrary to Local Plan policies.
- Unauthorised developments with significant public interest and causing demonstrable harm to a residential area.

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<sup>1</sup> Action means – review the relevant planning history, initiate first contact with interested parties (offending), make arrangements to visit the site or conduct a site visit (if necessary).

- Breach of planning conditions while the development is under construction/newly completed.
- Large scale illegal advertisement campaigns in Conservation Areas.

#### 4.8 **Category 3 - Lower Priority**

Cases that are unlikely to cause any significant, immediate, or irreversible planning harm. These matters are likely to be technical breaches of planning control that could be resolved with the submission of a retrospective application to control the development with conditions, small modifications to bring the development in line with planning policy or voluntary remedial action by the relevant party.

With lower priority cases a member of the enforcement team will action<sup>1</sup> the case within 15 working days following its acknowledgement.

**Lower priority** cases will include reports referring to:

- Minor breaches of permitted development rights (GPDO 2015 as amended).
- Minor householder developments (extensions, outbuildings, fences).
- Illegal advertisements (not detailed in category 2).
- Untidy land (Section 215 matters).
- Any other breach not included in other priority categories.

## 5 HOW TO REPORT A BREACH OF PLANNING CONTROL

5.1 **Anonymous reports will not be accepted unless they refer to a High Priority breach or other exceptional circumstances apply.**

5.2 The Council will expect all reports to be made in writing so that it gives the reporter the opportunity to fully consider their concerns and detail how the alleged breach is impacting on them.

5.3 The preferred option will be via the report form on our website. This will guide the reporter through the process and encourage them to focus on the planning matters and not issues that the planning department have no control over.

5.4 The link to this reporting form is here -

5.5 Alternatively,

- Email the team at [planningenforcement@northwarks.gov.uk](mailto:planningenforcement@northwarks.gov.uk)
- By letter addressed to the Planning Enforcement Team at The Council House, South Street, Atherstone, CV9 1DE.
- By speaking to a Duty Officer (9am – 1pm) on (01827) 715341, however you will still need to follow this call up in writing by one of the above methods.
- Report via a Borough or Parish Councillor or the Clerk to your Parish Council. Details of your Councillors and Parish Council, can be found on the North Warwickshire Council website [Find My Councillor](#). However, later updates on the case may only be given to the councillor/parish council and not to the member of the public dependant on the circumstances of the case.

5.6 So that we can investigate your report, we require as much information as possible. If the following details are not provided, then we may not be able to register and deal with your report at all, or in a timely way.

- The name, address, telephone number and e-mail address of the reporter.
- The precise location/address of alleged breach.
- A description of the alleged breach
- What impact the alleged unauthorised development or use, is having on you and any difficulties the problem is causing.
- How long the use has been taking place/ or the development has been in situ.

5.7 All reporters contact details are kept confidential. Any data supplied to North Warwickshire Borough Council relating to any alleged breach, are held securely, in line with the UK GDPR's stringent requirements and protocols. These details will only be provided in response to a request made under the Freedom of Information Act to obtain them, if it is in the public interest to do so taking account of any potential harm to the data subject and any detriment to the ongoing investigation. The Council will also maintain the confidentiality of information provided by any reporter, which may be likely to reveal the identity of who made the complaint. However, we cannot stop an offending party from making their own assumptions as to who made the report.

5.8 However please note that should the matter progress to court proceedings, witness statements may be required from the original reporter depending on the nature of the breach and other evidence obtained. Legal advice will be taken on how this is progressed as it will depend on the circumstances of the individual case. The reporter will be kept informed in these situations.

## 6 THE INVESTIGATION PROCESS

- 6.1 Due to the nature and legal complexity of some of the reports received, the enforcement process can very often be a lengthy procedure. It is not always possible to give an accurate or average length of time from the receipt of a report to a resolution. As a guideline however, we will aim to update the reporter within six weeks of the date of acknowledgement as to how the case is progressing. This is of course, dependent upon the team's workload and other factors which may impact on officer's time. However, we recognise that communication with the reporters is important and we will endeavour to keep all interested parties updated of progress at key stages in the investigation.
- 6.2 It is important to note that formal action **is not taken against all** breaches of planning control. Such action is entirely at the discretion of the Council having taken all material planning considerations into account.
- 6.3 In some cases, it maybe that a party does not agree with the final decision reached as part of the investigation. However, there is no third-party right of appeal against this decision, other than with certain formal notices when an interested party served with a notice can appeal to the Planning Inspectorate.
- 6.4 The Council has a [formal complaint](#) procedure which you can use if you are dissatisfied about the enforcement service. This process will look at how the investigation has been undertaken and is not a process which has the purpose of changing the decision as to whether to take formal action or not.
- 6.5 **North Warwickshire Borough Council will not tolerate either physical or verbal abuse towards its Officers. Should it be necessary, the Council will use legal action to prevent and deal with such abuse.**

## **7 REPORTERS – What to expect**

- 7.1 Once a valid report has been received it is logged with a unique case reference number. It is then allocated a priority level as detailed above and assigned to an enforcement officer for the investigation to commence.
- 7.2 The reporter will be sent an acknowledgment letter within three working days of receipt, detailing the case officer and their contact information.
- 7.3 The enforcement officer will first establish the facts relating to the alleged breach by investigating the planning and enforcement history, the relevant legislation, and any previous relevant correspondence. If necessary, the investigating officer will liaise with colleagues in other services within the Council and any external bodies.
- 7.4 A site visit is then usually made particularly if the initial desk top research shows that the issue reported does not have planning permission and may be unauthorised. Contact will be made with the site to arrange a site visit or if necessary, rights of entry can be utilised when we are unable to contact the relevant party, or where the nature of the allegation warrants it.
- 7.5 Following the site visit the enforcement officer will have a better understanding of the alleged breach and will then consider what action is required to remedy any associated planning harm. The reporter will be updated when a plan of action has been agreed with the relevant party.

## 8 ALLEGED OFFENDER(S) – What to expect

- 8.1 It can be a concerning time when in receipt of communication from the planning enforcement team, but it is important to remember that our primary goal is to remedy the planning harm caused by any such unauthorised development and not to punish the individual for breaching planning laws. Notwithstanding, certain offences, mainly as detailed as high priority case can be a criminal offence and the Council will pursue formal action when deliberate/repeated offences can be evidenced.
- 8.2 The best course of action after receiving a letter is to contact the relevant enforcement officer as soon as possible. Further detail can then be provided about the alleged breach and ways in which any breach could be remedied. In most cases the enforcement officer will be likely to need to arrange a site visit to verify the allegation and to collect the required evidence.
- 8.3 Site visits will usually be pre-arranged. During the visit photographs and measurements will be taken where necessary and further guidance can be given and options discussed about how to remedy the harm, firstly without needing to use formal action. Any guidance provided on site will be at an informal level and subject to change if further relevant information or evidence is obtained. However, following the initial site visit the enforcement officer will confirm in writing – usually with 10 working days of the visit –detailing various options to remedy the planning harm, as detailed below.
- 8.4 **PLEASE NOTE** – in the event of no response to requests for contact, the breakdown of communication or where the seriousness of the alleged offence warrants it, enforcement officers also have Powers of Entry as granted under the Town and Country Planning Act 1990, to enter land at any reasonable time, without a warrant. However, when it is required to enter a dwelling house (the building not the land) 24-hours prior notice is required.

## **9 MAIN OUTCOMES OF INVESTIGATION**

9.1 The following list, whilst not exhaustive, are the most common outcomes in a planning enforcement investigation:

### **9.2 No breach of planning control**

In cases where there is no breach of planning control, the case will be closed swiftly and parties informed.

The allegation may not be related to planning matters, but another service may be able to provide further assistance, in which case the reporter will be signposted to the most appropriate service.

### **9.3 Not expedient to take further action**

Where a breach of control is identified, but it considered as a minor or technical breach with limited impacts. It will most likely be deemed not expedient to take any further action or to invite a retrospective planning application. These cases will be closed, and the reporter notified accordingly.

There is no third-party right of appeal against this decision. The Council will have reached this conclusion in accordance with the National Planning Policy Framework. As detailed above enforcement action is discretionary and so the Council will act proportionately in investigating breaches of planning control and in determining any appropriate action.

### **9.4 Cases that require additional monitoring**

Sometimes, it is not possible to obtain the information regarding a breach of planning control by just one visit (e.g. – alleged commercial vehicle repairs from a residential property, breach of opening hours condition). Further information may need to be obtained from other sources, which may include the reporter. When further investigation has been completed, a decision will be taken either to close the case, due to insufficient information, or to take the matter further by way of formal action.

## 9.5 Retrospective Planning Application

If it is appropriate to so, and the development or use generally may accord with national and local planning policies, a retrospective planning application submission may be suggested within a specified deadline. If an application is not submitted by the deadline set, then enforcement action may need to be considered. However, formal action will not be taken if it is not expedient, or in the public interest or proportionate to do so.

If an invitation to submit a retrospective application is made, it **does not** guarantee that the application will be granted/approved, only that more formal consideration and public consultation is required. During the application process, alterations to the proposal may be required and appropriate conditions imposed to ensure any changes are made in a timely manner following an approval.

The enforcement investigation will usually go on hold whilst a retrospective application is being considered.

Depending on the nature of the breach, in the event of a refused retrospective application, more formal enforcement action is likely to take place.

## 9.6 Voluntary Remedial Action

If the unauthorised works are not considered acceptable, a time limited opportunity will be given to address the breach, by either the cessation of the unauthorised use or the removal of the unauthorised development. Failure to comply with this **one request** by the agreed deadline, may result in further action being taken in respect of the breach.

## 9.7 Formal Action

If the above options have been exhausted or do not apply, or the seriousness of the unauthorised development warrants it, formal action will be taken where it is expedient and in the public interest to do so.

In some cases, the Council may decide to take immediate formal action to stop the more serious breaches from continuing whilst it investigates the matter. This is normally through the serving of Temporary Stop Notice (which lasts for 28 days).

## 9.8 Prosecution Proceedings

Unauthorised works to a Listed Building, works to trees which are the subject of a Tree Preservation Order (TPO) or in a Conservation Area and the display of an unauthorised advertisement **are criminal offences**. Except for advertisements where the offender will be given the opportunity to remove the advert before prosecution proceedings are considered, the Council will need to consider prosecution proceedings in these cases.

Furthermore, and perhaps most importantly in enforcement proceedings, failure to comply with, or breaching a formal notice is also a criminal offence. **Breaching formal notices will not be tolerated and the Council will actively pursue prosecution in such matters, unless material circumstances indicate otherwise.**

## 10 DECISION MAKING

10.1 Decisions in respect of planning enforcement action will be taken by the Council's Planning and Development Board. However, the Board will only deal with the most significant cases and it has thus delegated decisions in the majority of matters to appropriate officer under the [Council's Constitution](#).

10.2 Consequently, those matters referred to the Board for a decision will only usually involve:

- Whether, subject to the view of the Head of Legal Services as to whether there is sufficient evidence and it being in the public interest to do so, the Council considers the issue of prosecution proceedings
- Taking Injunctive action
- Serving of a Stop Notice
- Commencement of direct action
- Serving of a Planning Enforcement Order
- Cases referred to it at the discretion of the Head of Development Control in consultation with the Chairman of the Board.

### 10.3 Initial Decisions

As indicated in the previous section, there are several decisions to be made within the enforcement process. Decisions involving whether a breach of planning control has occurred, the need for additional monitoring, issuing of a Planning Contravention Notice or Community Protection Warning Letter, advice on voluntary remedial action or submission of retrospective planning application will be taken by professional planning officers in consultation with the Head of Development Control and if appropriate, the Head of Legal Services.

### 10.4 Formal Action

Where a breach of planning control has been established, the expediency of subsequent planning enforcement action will be decided by those planning officers with advice taken from the Head of Legal Services, if appropriate. If it is found that it is not expedient to take formal enforcement action, then the reason for that will be set out in the case file. At this stage the matter may then be referred to another department or external agency, if warranted.

If it is found to be expedient, then the reasons will be set out in an officer's report which will conclude on the most appropriate action to be taken. This report will be circulated to the Chairman and Vice – Chairman of the Planning and Development Board together with the Planning Opposition Spokesperson and the local Ward Members for where the breach is located. If, **within five working days** following notification by officers, any of these Members wishes the case to be referred to the Board for consideration, giving reasons why delegated powers should not be used, then that case will be reported to the next available Board meeting. If there is no such request, the action recommended will then be followed through under delegated powers. This approach replicates the process in the adopted [Scheme of Delegation](#) for the determination of planning and relation applications.

As a consequence, the issue of a Breach of Conditions Notice, Temporary Stop Notice, Planning Contravention Notice, Enforcement Notice, Listed Building Enforcement Notice, Section 215 Notice, Discontinuance Notice (advertisements), Community Protection Notice or a High Hedge Remedial Notice will normally be served under delegated powers.

## **11 TYPES OF FORMAL ACTION**

### **Planning Legislation**

#### **11.1 Planning Contravention Notice**

A planning contravention notice may be issued to allow the Council to require any information we need for enforcement purposes about any operations being carried out, any use of, or any activities being carried out on the land. They can be used to invite recipient(s) to respond constructively to the Council about how any suspected breach of planning control may be satisfactorily remedied.

#### **11.2 Enforcement Notice/Listed Building Enforcement Notice**

These are served where the Council is satisfied that a breach of planning control has occurred, and it is expedient to issue a notice because of the harm caused, considering the provisions of the Local Plan and any other material considerations.

Copies of the Notice are served on all persons with an interest in the land. The Notice takes 28 days before it comes into effect. It sets out the requirements needed to remedy the breach and a compliance period. During this 28-day period, before it comes into effect, recipients of the Notice can appeal to the Secretary of State. Details of how to appeal will accompany the notice, a valid appeal suspends the Notice requirements until the determination of that appeal. Non-compliance with an extant Notice is a criminal offence.

#### **11.3 Breach of Condition Notice**

This Notice can be served on the developer or occupier when they do not comply with conditions attached to a planning permission. There is no right of appeal to the Secretary of State against a breach of condition notice. The validity of a breach of condition notice, and the propriety of the local planning authority's decision to serve a breach of condition notice, may be challenged by application to the High Court for judicial review.

#### **11.4 Temporary Stop Notice**

A temporary stop notice is a powerful enforcement tool. This allows action to be taken very quickly to address confirmed breaches of planning control and can require

activities to cease **immediately**. A Temporary Stop Notice can be served independently of any other notice, unlike a Stop Notice. However, a Temporary Stop Notice can only last for a maximum of 28 days after it is displayed on site and can only be used once. It gives the Council time to investigate the suspected breach of planning control without further harm being caused. It is an offence not to comply with this Notice.

There is no right of appeal to the Secretary of State against the prohibitions in a temporary stop notice. The validity of a temporary stop notice and the propriety of the local planning authority's decision to issue a temporary stop notice, may be challenged by application to the High Court for judicial review.

### 11.5 **Stop Notice**

This Notice is served where very serious and irreparable harm is being caused by a breach of planning control. The notice can prohibit any or all the activities which comprise the alleged breaches specified in the related enforcement notice. A stop notice **cannot** be served independently of an enforcement notice. The Stop Notice comes into effect no less than 3 days or no later than 28 days after the date which the notice is served. There is no right of appeal to the Secretary of State against the prohibitions in a stop notice. The validity of a stop notice and the propriety of the local planning authority's decision to issue a notice, may be challenged by application to the High Court for judicial review. Even if an appeal is lodged against an enforcement notice, non-compliance with the Stop Notice is an offence. The issue of a Stop Notice carries the risk that the Council must pay compensation should the accompanying Enforcement Notice be quashed at appeal.

### 11.6 **Injunction**

Following legal advice, Injunctive proceedings will only be considered for the most serious breaches. An Injunction application is dealt with by the High Court or County Court. This is the only action that can be taken against an apprehended breach of planning control (i.e.- a breach that is likely to occur). However, proceedings for an injunction are the most serious enforcement action that a local planning authority can take because if a person fails to comply with an injunction they can be committed to prison for contempt of court. In these circumstances a local planning authority should generally only apply for an injunction as a last resort and only if there have been persistent breaches of planning control over long period and/or other enforcement

options have been, or would be, ineffective. The Court is likely to expect the local planning authority to explain its reasons on this issue.

#### **11.7 Planning Enforcement Order**

This form of action can be taken where a person deliberately conceals unauthorised development, where the time limits for acting upon a breach, have passed. An application for a planning enforcement order is made to the Magistrates Court and if granted, enforcement action can still be taken against the breach which has previously been concealed. Planning enforcement orders can only be made where the developer has deliberately concealed the unauthorised development. In these circumstances, evidence that the developer has taken positive steps to conceal the unauthorised development, rather than merely refraining from informing the local planning authority about it, will be required.

#### **11.8 Default Action**

Where an Enforcement Notice has not been complied with the Council can enter land to carry out the required works to secure compliance with the notice. There is no requirement to provide notice to the owners or occupiers of the land and anyone who wilfully obstructs the exercise of these powers is guilty of a criminal offence. Further, the Council will look to recover from the person who is then the owner of the land any expenses reasonably incurred by them in undertaking this work.

#### **11.9 Section 215 Notice**

This can be served when the condition of land or property is adversely affecting the amenity of the area. The Notice will require the owner/occupier to take necessary steps to remedy the condition of the land or property. Recipients of the Notice do have a right of appeal to a Magistrates Court. Non-compliance with the Notice is an offence. The Council may also use default powers to ensure the terms of the Notice are met.

#### **11.10 Unauthorised Advertisements**

The display of any unauthorised advertisements is a contravention of the Town and Country Planning (Control and Advertisements) (England) Regulations 2007 for which prosecution proceedings could be considered if it is in the interest of amenity to public safety. Where advertisements have been displayed with deemed consent,

the Council may still require its removal by issuing a Discontinuance Notice upon which there is a right of appeal. A Discontinuance Notice can only be issued when there is substantial loss of amenity or if there is a danger to members of the public. Other notices can be used to remove smaller breaches of advertisement control.

#### 11.12 **Prosecution**

Failure to comply with any of the above statutory notices is a **criminal offence**. Prosecution is the most common form of initial legal action in these circumstances. The Council will always consider whether there is clear evidence to prosecute for failure to comply with such a notice and whether it is in the public interest to do so. Should it be in the public interest, further legal action will be actively pursued against those who appear to blatantly disregard the notice.

### **Anti-Social Behaviour & Crime and Policing Legislation**

#### 11.13 **Community Protection Notice**

The issue of this Notice can be considered in cases where the unauthorised activity is having an adverse effect on the quality of life of those in the locality; is persistent or continuing in nature, is unreasonable and causing nuisance or harm. This can be used for example where on street unauthorised vehicle repairs are taking place and is causing a detrimental effect on the wider community. It can also be used on cases where reports are received concerning untidy private land.

Prior to the service of a Community Protection Notice, it is necessary practice to issue a Community Protection Warning letter, advising of the problem behaviour or activity and that further action will be considered should the unauthorised activity continue. Both the notice and warning letter can include the requirement to stop doing specific things, a requirement to do specified things and/or a requirement to take reasonable steps to achieve specified results.

If the terms of the warning letter are not complied with, a Notice can be served having due regard to the Equalities Act 2010. If the Notice is not complied with then it is an offence, upon which there are fines. There is a right of appeal within 21 days of issue. There are other powers available relating to this legislation, should the Notice not be complied with, which include the issue of a fixed penalty notices,

remedial action by the Council, obtaining a forfeiture order through courts and seizure of items that have been used in committing the offence.

#### 11.14 High Hedge Remedial Notice

A high hedge remedial notice can require a hedge owner to carry out works to lower the height of the hedge to a specified height and then maintain the hedge so that it does not exceed a specified height. A remedial notice **cannot** require the removal of a hedge or works that by may cause its death or destruction. It's an offence to fail to do what a remedial notice requires. Such an offence is punishable with a fine of up to £1,000. Also, the council can enter the land and carry out the required work.

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## 12 REVIEW & COMMENTS

- 12.1 The enforcement plan will be reviewed annually and updated when relevant changes in Local or National Planning Policy occurs.
- 12.2 An annual report, prepared by the Head of Development Control will be referred to the Planning and Development Board. This report will identify formal enforcement action taken in the preceding year both under delegated powers and decisions taken by the Board, together with its outcome or, where appropriate, the stage that has been reached in the process. The report will also summarise the performance of the enforcement service as set out in this Plan together with reviewing the need for any change.
- 12.3 North Warwickshire Borough Council is committed to provide a good quality of service in a fair, transparent, and consistent manner. However, it is likely that problems and difficulties may arise occasionally, and any issues relating to the enforcement service should be initially raised by contacting:

The Head of Development Control

**Email:** [planningenforcement@northwarks.gov.uk](mailto:planningenforcement@northwarks.gov.uk)

**Writing:** The Council House, South Street, Atherstone, CV9 1DE

## 13 USEFUL CONTACT INFORMATION

### 13.1 North Warwickshire Borough Council Services

- Environmental/Public Health  
[Public health | North Warwickshire \(northwarks.gov.uk\)](http://northwarks.gov.uk)
- Anti-Social Behaviour  
Including –, Graffiti, Litter, Fly tipping, Noise nuisance, Hoax calls, Animal related problems, Rowdy and nuisance behaviour, Abandoned cars, Begging, Intimidation or harassment, Sexual acts, Vandalism, Street drinking, Prostitution, Inappropriate vehicle use, Kerb crawling, Drug misuse/ dealing  
[Anti social behaviour | Anti social behaviour | North Warwickshire \(northwarks.gov.uk\)](http://northwarks.gov.uk)

### 13.2 Warwickshire County Council

- Highways & Waste Transfer  
[Report it – Warwickshire County Council](http://warwickshire.gov.uk)
- Trading Standards  
[Trading Standards – Warwickshire County Council](http://warwickshire.gov.uk)

### 13.3 Other External Bodies

- Party Wall Act  
[The Party Wall etc Act 1996: explanatory booklet - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- Land Registry (land ownership information)  
[Search for land and property information - GOV.UK \(www.gov.uk\)](http://www.gov.uk)
- Citizens Advice (Boundary Disputes)  
[If you disagree with your neighbour about a wall or fence - Citizens Advice](http://citizensadvice.org.uk)
- Building Control (Shared Service) – Dangerous Structures  
[Dangerous structures - Central Building Control Partnership \(centralbc.org.uk\)](http://centralbc.org.uk)
- Health and Safety Executive  
[Tell us about a health and safety issue - Contact HSE](http://hse.gov.uk)

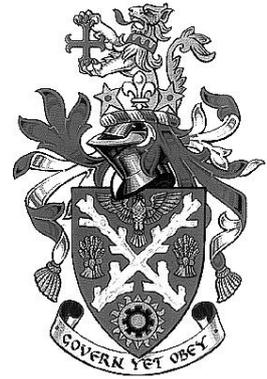
### 13.4 Neighbouring Councils:

1. Tamworth Borough Council
2. Lichfield District Council
3. Birmingham City Council
4. Solihull Metropolitan Borough Council
5. Nuneaton & Bedworth
6. Coventry City Council

7. Hinckley & Bosworth Borough Council
8. North West Leicestershire District Council

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**North Warwickshire  
Borough Council**



**Scheme of Delegation to the  
Assistant Chief Executive and  
Solicitor to the Council  
in respect of the Determination  
of Planning Applications**

November 2020

## 1. INTRODUCTION

- 1.1 This Scheme of Delegation enables the Assistant Chief Executive and Solicitor to the Council to undertake certain functions without reporting first to the Council's Planning and Development Board. The legal basis for this delegation from the Board is contained in Section 101 of the Local Government Act 1972, as amended.
- 1.2 In practice, delegation means the Assistant Chief Executive and Solicitor to the Council taking executive action on behalf of the Council. In the delivery of the planning control service, that means determining planning applications, and making decisions on related matters. The 'boundaries' for this delegation are outlined below by clearly stated and published rules.

## 2. THE PURPOSE OF DELEGATION

2.1 The purpose of delegation is to:

- ❖ leave the Board to focus its time and effort on the most significant matters that affect planning policy;
- ❖ help reduce the time taken for making the more straightforward decisions on planning applications, and related matters, when they are consistent with Council policy as set out in the Development Plan;
- ❖ help the Council to achieve a more flexible and responsive planning control service, so that it can speed up the process of decision making in line with Government guidance, any relevant Performance Indicators and Council objectives;
- ❖ simplify procedures so as to concentrate effort and resources where they are most needed; and
- ❖ release staff time so that it can be redirected to securing better quality development.

2.2 Hence this Scheme of Delegation, by operating within clear guidelines, will be able to deliver planning control decisions which are consistent with the Development Plan, routinely, and with greater speed than where little advantage is taken of delegation.

## 3. THE CONTEXT OF DELEGATION

- 3.1 This Scheme of Delegation takes into account the following matters which have provided the background against which it has been adopted.
- ❖ **The Development Plan:** The Planning legislation describes the concept of a "plan-led" decision making process, whereby planning decisions should be taken in accordance with the Development Plan. The Council's approach to

new development proposals is thus already laid out in this Plan, and decisions on individual planning applications can be made accordingly.

- ❖ **The Human Rights Act 1998:** This Act requires the Council to act in a way which is compatible with European Convention Rights. This Scheme of Delegation has been prepared in this knowledge.

3.2 The basis for delegation has generally been accepted by all Local Planning Authorities. It has worked successfully in achieving a more flexible service responding to the variety of calls placed upon an Authority's planning control function. The Scheme outlined below will take North Warwickshire Borough Council's planning control service forward with an improved service delivery.

## 4. THE SCHEME OF DELEGATION

### A) Applications

4.1 The following applications that are submitted to North Warwickshire Borough Council for determination, will be decided by the Planning and Development Board, following consideration of a written report from the Assistant Chief Executive and Solicitor to the Council which will contain a written recommendation in all cases:

- a) All applications that constitute material departures from the Development Plan.
- b) All applications that are required to be accompanied by an Environmental Impact Statement.
- c) any application where a request has been made by either the Chair or Vice-Chair of the Planning and Development Board, or the local ward member(s), and when an approval would involve a legal agreement under planning legislation.
- d) All applications that are made wholly, jointly, or on behalf of North Warwickshire Borough Council, whether on Borough Council land or not, and any application that is made on Borough Council land.
- e) All major applications that are made by the County Council, or that are made jointly, or on behalf of Warwickshire County Council whether on its own land or not, within North Warwickshire.
- f) Any application that is submitted by or on behalf of any Member of the Council; a member of the family of a Member or a person with whom there is a close association, and any member of staff employed by the Council.
- g) Any application where a request based on material planning considerations is made in writing to the Assistant Chief Executive and

Solicitor to the Council by any Borough Councillor for referral of that application to the Board.

- h) Any application where the Assistant Chief Executive and Solicitor to the Council considers it appropriate to report to the Board for determination.
  - i) Any application where a statutory consultee has submitted an objection in writing, but yet where a recommendation of approval is to be made by the Assistant Chief Executive and Solicitor to the Council.
  - j) Any application where, following the receipt of representations that are contrary to the Assistant Chief Executive and Solicitor to the Council's recommendation, and where either the Chair or Vice Chairman of the Planning and Development Board, or the Local Ward Member(s), disagree with that recommendation.
- 4.2 In all other cases, the determination of applications is delegated to the Assistant Chief Executive and Solicitor to the Council. Each determination shall be accompanied by a written report outlining the reasoning for that determination.
- 4.3 For the purpose of the Scheme of Delegation, the terms "application" and "Statutory Consultee", are defined in Annexe 'A' to this Scheme.

## **B) Consultations**

4.4 When an application is:

- ❖ submitted to the Warwickshire County Council as the Minerals Planning Authority, or the Waste Local Authority for determination, and North Warwickshire Borough Council has been consulted for its observations on that application, or
- ❖ when an application is submitted to a neighbouring Local Planning Authority for determination, and that Authority has consulted North Warwickshire Borough Council for its observations on that application, or
- ❖ when the Council is consulted by others on matters under legislation other than planning legislation, but where these matters are related to planning considerations, then

the principles outlined in paragraph 4.1 will apply as to whether the observations of the Council shall be made by the Assistant Chief Executive and Solicitor to the Council under delegated powers, or by the Planning and Development Board.

4.5 In all of the above cases, where the observations are forwarded by the Assistant Chief Executive and Solicitor to the Council under delegated powers, then:

- ❖ he will report to the Planning and Development Board on the observations made, and

- ❖ include on the file, the reasoning behind these observations.
- .6 For the purposes of this Scheme of Delegation, examples of the other legislation referred to in paragraph 4.4 is included in Annexe A to this Scheme.

## **5. MEMBER INVOLVEMENT**

5.1 Members and officers work together to determine planning applications. This Scheme of Delegation recognises that there are good reasons for, and advantages in, delegating some decisions to the Assistant Chief Executive and Solicitor to the Council. However, given the high public profile of planning matters, it is inevitable that Members will often become involved in the planning control service during the passage of a planning application through the process. In order to ensure that there is a strong partnership of Members and Officers, but that their respective roles are identified and maintained, the following Best Practice guidelines will be followed:

- ❖ For the purposes of paragraph 4.1 (g) and (j) above, as soon as it becomes apparent that the recommendation of the Assistant Chief Executive and Solicitor to the Council will be contrary to the nature of representations received on any application, then the case officer will contact the Local Ward Member(s), together with the Chair and Vice Chairman of the Planning and Development Board. If no adverse comments are received within seven days, then the matter will be dealt with in line with the Assistant Chief Executive and Solicitor to the Council's recommendation under delegated powers. A record of this contact will be kept on the case file. Contact will be made as early as possible via e-mail, in order to ensure full Member involvement.
- ❖ Ward briefings, either individually or on a group basis, will be held with Members at their request so that they can be kept up to date with applications and their progress towards determination, and other significant 'ward' issues. Current applications and plans can be made available for discussion.
- ❖ All 'significant' applications to be reported to the Board and Ward Members, to enable site visits to be organised at an early stage.
- ❖ Issues and progress reports will be circulated to the Board and Ward Members either by notification or through a report on major and/or sensitive applications, prior to the determination report, so that the material considerations and key matters can be made explicit at an early stage.
- ❖ Regular post-decision site visits to be made to assess the quality of the decision, and to see the implementation of the scheme, so that there can be continuous monitoring of the quality of decision making.

5.2 The procedure outlined above in respect of Member involvement, will also apply to proposed amendments to development proposals.

## **6. REVIEW DATE**

6.1 This Scheme of Delegation will be reviewed by November 2021.

**ITEMS FOR CLARIFICATION**

**A) For the purposes of this Scheme, ‘application’ includes:**

applications for:

All types of planning permission  
Reserved matters

Discharge, non-compliance or variation of conditions and minor amendments  
Advertisement Consent

Listed Building Consent  
Conservation Area Consent

Works to Trees subject to Tree Preservation Orders  
Hazardous Substances Consent

Hedgerow Removals

Certificates of Lawful Development

Prior Notifications and Determinations in respect of agricultural and telecommunications developments together

Proposed Amendments to previously approved developments.

***A) For the purposes of this Scheme, ‘other legislation’ includes:***

Forestry Act 1967 Electricity Act 1989 Land Compensation Act 1961 Local Government (Miscellaneous Provisions) Act 1982 Transport Act 1968	eg Felling Licences eg Overhead Lines eg Certificates of Alternative Development
eg Car Boot Sales Notices eg Goods Vehicle Licensing	

**B) For the purposes of this scheme, “Consultee” means those organisations referred to in the table contained in Articles 18, 19 and 20, and Schedule 4 to the Town and Country Planning (Development Management Procedure) Order 2015, as amended.**

**Agenda Item No 7**

**Planning and Development Board**

**3 April 2023**

**Report of the Head of Development Control**

**Government Consultation Planning Fees**

**1 Summary**

- 1.1 The Report responds to a Government consultation on a proposed increase in planning fees, changes to performance measures and to resourcing in Planning Departments.

<p><b>Recommendation to the Board:</b></p> <ul style="list-style-type: none"><li><b>a That the recommended changes to planning fees are welcomed;</b></li><li><b>b That further discussions are held as to the matter of “ring-fencing” these increases; and</b></li><li><b>c That the recommended changes to performance measures are not supported for the reasons set out in this report</b></li></ul>
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**2 Background**

- 2.1 Recent reports have outlined the planning reforms currently being considered by the Government. One of the proposals is to increase the fees that accompany planning applications. These fees are set nationally and thus the Council has no control over their implementation. They were last increased in 2018.
- 2.2 A consultation paper has now been published which outlines the proposals in more detail. Apart from the fee increase there are other matters included in that Paper. Firstly, the performance measures by which the Government assesses whether a Local Planning Authority is “performing well” are reviewed, and secondly, there are some general questions about resourcing in Local Planning Authority services.
- 2.3 This report will first look at the proposals and then set out the issues that might arise for North Warwickshire.

### 3 **Planning Fees**

- 3.1 The paper recognises that present fee income does not cover the full cost of providing the planning application service. It quotes a national cost of £675 million in providing the service, but with a national fee income of £393 million. The development industry itself has drawn the Government's attention to under-resourced Planning Departments which they say is leading to delay. The paper also recognises that the full cost of the service should not fall on the local taxpayer as the outcomes benefit developers and land-owners.
- 3.2 The Paper proposes a substantial increase in fees:
- A 35% increase across the board for all major applications.
  - A 25% increase across the board for all other applications.
  - An annual inflation linked increase across the board, based on the Consumer Price Index.
  - Continuation of there being no fee attached to those applications which currently do not attract a fee – e.g. Listed Building and Tree Consent applications.
- 3.3 For the benefit of Members, examples of this would mean that the householder fee for applications such as extensions and outbuildings would rise from £206 to £258; an application for a single house would rise from £462 to £578 and the maximum fee for a major residential or commercial application would rise from £300k to £405k.
- 3.4 The paper also picks up on some of the other detail in the current fee system:
- The fee for a retrospective application would be double the normal fee, but householder developments would not be included.
  - The removal of the “free-go” arrangements whereby repeat applications are submitted, usually when an appeal has been lodged against non-determination. A suggested alternative would be to reduce the fee in this circumstance.
- 3.5 The paper also asks for a response to the issue of whether the additional income as a consequence of these fee increases, should be “ring-fenced” for the planning service.

### 4 **Local Planning Authority Performance**

- 4.1 The Paper makes it very clear that the proposals to increase fee income come with the expectation that the speed of decision-making would increase and that local planning authorities should “primarily be held to account for the number of planning applications that are determined within the statutory time periods, rather than through extension of time agreements”. The Title of the

Consultation Paper makes this explicit - “Stronger Performance of Local Planning Authorities supported through an increase in Planning fees”. The Government is concerned that extensions of time can mask instances where authorities are not meeting Statutory time periods. The existing measures are thus proposed for review.

- 4.2 There would also be a review of The Planning Guarantee. This allows for the refund of a planning fee where a determination has not been made within 26 weeks of submission of a valid application, if an extension of time has not been agreed with an applicant.
- 4.3 As a consequence of this general objective of seeking to increase the speed of decision making, the overall set of measures in order for the Government to assess this, is proposed to be extended with the introduction of new measures.
- 4.4 The proposals are set out below.
- Where the Statutory determination time period is 8 weeks, the Planning Guarantee would be set at 16 weeks, if no extension of time is agreed.
  - Where the Statutory determination time period is 13 or 16 weeks, the Planning Guarantee would be set at 26 weeks if no time extension is agreed.
  - The introduction of an “average speed of decision making” measure which would relate to different types of application.
  - The retention of the “quality of decision-making” measure being the % of appeals allowed following refusals by a Local Planning Authority.
  - The introduction of a new assessment to measure the % of extensions of time agreed for a variety of different types of application.
  - The introduction of a new assessment to validate planning applications.
  - The introduction of a new measure being the number of cases where the Planning Guarantee kicks in.
  - The introduction of a new measure being the % of delegated decisions made by an Authority as opposed to Committee decisions.
  - The introduction of a new measure being the % of Committee decisions to refuse against officer recommendation that are subsequently allowed at appeal.
  - The introduction of a series of new enforcement measures – the average number of weeks to respond to an alleged breach and the determination of a course of action; the average number of weeks to take that action and the number of cases that over six months old.
  - The introduction of a possible “customer experience” measure.

## **5 Local Authority Capacity and Capability**

- 5.1 The Paper recognises that an increase in planning fees “is not enough to address the capacity and capability challenges faced by Local Planning Authorities”. Surveys have shown real difficulties for Authorities to recruit and

to retain experienced planners, and there being a significant shortfall in specialist skills within Planning Departments – particularly on viability, design, conservation and heritage, climate change and ecology. The surveys show that Authorities regularly rely on the recruitment of Agency staff to undertake these roles, or they share officers with these skills through shared service agreements with other Authorities. The Paper says that the new Levelling Up Bill has to promote a broader understanding of support for the planning profession. The paper asks for suggestions and experiences so as to take the matter forward.

## **6 Observations**

6.1 It is proposed to look at these matters with particular reference to the North Warwickshire service.

### **a) Planning Fees and Resources**

6.2 In round terms, the number of fee-earning applications validated for 2022/23 up to the end of Feb 2023 was 521 with 21 being major applications (say 4%). The income received from these validated applications was £490k with the majors accounting for £288k of that (say 58%). If the recommended % fee increases are added to these figures, then the fee income would rise from the £490k to £651k – an increase of £160k in round terms. This would by coincidence “meet” the 22/23 approved budget of £650k fee income. The gross expenditure for the whole Planning Control service so far this year, is estimated to be £765k with a nett expenditure of £136k. The additional income would thus have a significant impact in that more of the planning control service would be paid for by fee income. If looked at in respect of the whole Planning service – that is including Heritage and Conservation, the Forward Planning Service the cost of preparing the Local Plan, Local Land Charges and the charge for the Building Control Partnership, the increase whilst welcome, would still be far from recovering the cost of the Council’s planning service. That total gross cost is £1,196,051 and the nett cost is £527,411.

6.3 Colleagues in the Resources Division have indicated that this level of additional income - £150k – has already been included in the Corporate budget for 2024/25 and thus has had a helpful impact in off-setting the overall level of savings that the Council has to find. The same will apply in future years.

6.4 An annual inflation linked increase should sustain this level of income.

6.5 Moreover the number of planning applications received has been fairly steady over recent years. This is around 700 to which should be added other types of application such as Discharge of Condition applications and Prior Approvals. In total therefore there has been around 850 in recent years. The number of major applications within this total has however increased with the submission of residential applications on both allocated and non-allocated sites as well as

those for employment uses. These attract the largest fees and if planning permissions are granted in outline the subsequent reserved matters applications can result in significant fee income. The significance of the fee income from the majors can clearly be seen above – 58% of fee income. The outlook in this regard is positive as the largest strategic residential sites at Polesworth and Dordon and at Atherstone are yet to be the subject of planning applications. Similarly with the pressure on the Borough for increased employment development, there will be a continuing likelihood of new planning applications on non-allocated sites. As such, the fee increases outlined above have the potential to be sustained throughout the current Local Plan period – that is to 2033.

- 6.6 Members will be aware that there are current vacancies within the Development Control service and that there has been a turnover of Agency staff that has been brought in to cover past vacancies. The service also pays for outside technical expertise – particularly on viability matters for major applications where significant Section 106 contributions are involved, on landscape and visual impact advice such as the current involvement on employment applications, together with ecological advice on planning applications where appropriate from the County Council. The current budget allows for over £50k to be spent on these “professional services”. Any involvement in appeal work is over and above this.
- 6.7 There are also increasing pressures on delivering advice and guidance on planning applications with the statutory requirement later this year on bio-diversity net gain and within the Levelling Up and Regeneration Bill for the adoption of Local Design Codes. There is neither available in-house expertise on climate change considerations or infrastructure delivery.
- 6.8 As a consequence of these matters the suggested “ring-fencing” of this increased fee income is supported by Planning Officers – particularly given the scale of that projected increase. However, officers understand that any final response will be taken by the Council itself. A way forward might be to see how that additional income might benefit the Council as a whole, but with particular focus on the planning service. It was indicated above that particular skills were missing from the present service – ecology, design and climate change. Other Divisions and services may also benefit from the introduction of such skills within the Council’s establishment.

## **b) Performance**

- 6.9 The suggestions set out in the paper – para 5.4 above – represent a considerable tightening of performance measures and a significant increase in their number. The degree of central control is thus substantially increased.

- 6.10 In short, the recommended measures would have significant impacts on the delivery of the planning control service.
- i) The Council is wholly reliant on the receipt of technical and statutory consultation responses from other Agencies and Bodies. These responses are regularly delayed and there are more than often repeat re-consultations needed as a consequence of the initial responses. Additionally, the priorities of these outside bodies are not the same as those of the Planning Control service.
  - ii) Even internal consultation and guidance is delayed, because of pressures in other Divisions where they have different priorities or resource issues.
  - iii) The service presently operates a positive approach to the determination of planning applications. There are regular meetings at pre-application stage and during the processing of applications whereby amendments are sought so as to achieve a “better” outcome. That process takes time. Extensions of time are agreed in the great majority of cases in order to promote this “positive” approach.
  - iv) The quality of submitted planning applications is often poor – leading to the need for additional clarification and a marked reluctance by some applicants to submit supporting evidence. Applications can remain unvalidated for several weeks.
  - v) Any increased pressure on a reliance for strict time periods will certainly increase the likelihood of refusals of planning permission with the subsequent increased workload associated with the appeal process.
  - vi) The refund of fees through the Planning Guarantee is not an incentive for good planning or positive outcomes.
- 6.11 This overall reliance on time periods does not sit comfortably with the NPPF’s requirement for Local Planning Authorities to approach decision making in a “positive and creative way” or with its objectives of “creating high quality, beautiful and sustainable places and communities”.

## **7 Report Implications**

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

- 7.1.1 The proposed fee increases would have yielded around a £160,000 increase in 2022/23. This figure is likely to be sustained throughout the period of the current Local Plan. The impact of this increase on the costs of both the planning control and the wider planning service is set out in the report. It would not cover the whole cost of the planning service, but it does benefit the Council as a whole.
- 7.1.2 As mentioned above, additional planning income of £150,000 has been included within the Medium Term Financial Strategy from 2024/25, reducing the net cost of the planning service. If the additional income is used instead to increase resources in the planning service, there will be a need to reduce expenditure elsewhere.

## 7.2 **Environment, Sustainability and Health Implications**

- 7.2.1 An increased reliance on the speed of decision making and the introduction of the proposed performance indicators, would not necessarily improve the positive outcomes that the Council seeks through its Development Plan.

## 7.3 **Human Resource Implications**

- 7.3.1 The increased fee income, if ring-fenced, would have a positive impact on the capacity of the planning service and it would provide an opportunity to attract a wider range of skills needed to deliver the economic development and planning objectives of the Council. Such skills could also become a new asset for the Council as a whole.

The Contact Officer for this report is Jeff Brown (719310).

**Agenda Item No 8**

**Planning and Development Board**

**3 April 2023**

**Report of the Head of Development Control**

**Scheme of Delegation – Enforcement**

**1 Summary**

- 1.1 The report seeks the Board’s approval of an Appendix to the Scheme of Delegation for Determination of Planning Applications to be recommended to Council following the Board’s approval of the new Enforcement Plan.

**Recommendation to the Board:**

**a That Council be recommended to adopt the attached Appendix to the adopted Scheme of Delegation in respect of the Determination of Planning Applications, referring to planning enforcement actions and the Constitution be amended accordingly; and**

**b That Council be recommended to amend the post titles in the existing scheme to match the current Council structure.**

**2 Background**

- 2.1 Members will recall the recent approval of the updated Planning Enforcement Plan. This included extending delegated powers in respect of some enforcement action, subject to consultation with Members. This would follow the procedures already set out in the adopted delegation scheme for planning applications.
- 2.2 Members will also note that since the original Scheme was adopted there have been changes to the structure of the Council and the renaming of certain posts. It would therefore also assist to amend those titles to ‘tidy up’ the current scheme.

**3 Draft Scheme**

- 3.1 As a consequence, an Appendix to the adopted Scheme has been prepared and this is attached at Appendix A.

...

- 3.2 It is now recommended that if agreed, it be referred to Council to consider its adoption. The Board's approval is also sought to recommend that Council changes the job titles in the existing scheme to match the current Council structure.

The Contact Officer for this report is Jeff Brown (719310).



# North Warwickshire Borough Council

## Appendix A - Scheme of Delegation

Appendix to the “Scheme of Delegation to the Assistant Chief Executive and Solicitor to the Council in respect of Determination of Planning Applications” dated November 2020, to also include Planning Enforcement actions.

April 2023

## **1. INTRODUCTION**

- 1.1 This appendix to the current Scheme of Delegation to the Assistant Chief Executive and Solicitor to the Council in respect of Determination of Planning Applications dated November 2020, enables Officers to undertake certain planning enforcement functions without reporting first to the Council's Planning and Development Board. The legal basis for this delegation from the Board is contained in Section 101 of the Local Government Act 1972 as amended.
- 1.2 This delegation arises from the approval of the Council's updated Planning Enforcement Plan by the Board on the 6<sup>th</sup> March 2023. The Plan details the delegated powers under which the Head of Legal Services and the Head of Development Control, in consultation with relevant members as outlined below, will be able to authorise certain enforcement action.

## **2. THE PURPOSE OF DELEGATION**

- 2.1 The purpose of the delegation is to:
- Help reduce the time taken to begin formal enforcement action when it is deemed expedient to do so.
  - Help the Council maintain a more flexible and responsive planning enforcement service. Specifically, when enforcement matters maybe time sensitive to stop further planning harm from occurring or to prevent time limit immunity.
  - Simplify procedures so as to concentrate efforts and resources where they are most needed.
  - Release staff time so that it can be redirected to focus on the enforcement investigations process, and
  - Leave the Board to focus its time and effort on the most significant matters that affect the wider planning service.

## **3. THE SCHEME OF DELEGATION**

- 3.1 Specifically relating to Planning Enforcement matters and in accordance with Section 10 (Decision Making) of the 2023 Enforcement Plan, the Board will only take decisions in the most significant of enforcement cases. These will usually be:
- Subject to the view of the Head of Legal Services as to whether there is sufficient evidence and it being in the public interest to do so, the Board will consider the matter of prosecution proceedings
  - Taking Injunctive action

- Serving of a Stop Notice
- Commencement of direct action
- Serving of a Planning Enforcement Order
- Cases referred to it at the discretion of the Head of Development Control in consultation with the Chairman of the Board.

3.2 Consequentially, all other matters will be delegated to the Head of Legal Services and the Head of Development Control to authorise formal enforcement action/serving of notices. This is subject to the process detailed below in section 4.

#### 4. MEMBER INVOLVEMENT

4.1 Members and Officers will work together to consider when formal enforcement action will be required. It is inevitable that Members will often become involved in the planning enforcement process when residents may bring potential breaches of planning control to their attention.

4.2 In order to maintain consistency for Members and Officers alike, a similar process to that as detailed within section 5 of the main Scheme of Delegation, and section 10.4 (Formal Action) of the Enforcement Plan will apply. Accordingly, if it is found to be expedient to take formal action, the following best practice guidelines will be followed:

- ❖ An officer's report will be prepared explaining the reasons why it is considered expedient to take formal enforcement action and this will recommend the most appropriate action to be taken.
- ❖ This report will be circulated to the following:
  - Chairman of the Planning & Development Board.
  - Vice-Chairman of the Planning & Development Board.
  - Planning Opposition Spokesperson.
  - Local Ward Members for where the breach is located.
- ❖ If **within 5 working days** of notification any of these Members request that the case be referred to the Board for consideration, they will state the reason(s) why delegated powers should not be used (in writing). The case will then be reported to the next available Board meeting.
- ❖ If no such request is received, the action detailed within the officers' report will then be followed through under delegated powers.

#### 5. REVIEW

5.1 This appendix will be reviewed in line as appropriate with the main Scheme of Delegation.

**Agenda Item No 6**

**Resources Board**

**13 March 2023**

**Report of the  
Corporate Director - Resources**

**Treasury Management Strategy  
Statement, Minimum Revenue  
Provision Policy Statement and  
Annual Investment Strategy for  
2023/24**

**1 Summary**

- 1.1 This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2023/24.

<p><b>Recommendation to the Council</b></p> <p><b>a To adopt the clauses set out in paragraph 3.5; and</b></p> <p><b>b To approve the proposed strategies for 2023/24.</b></p>
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**2 Introduction and Background**

- 2.1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority’s low risk appetite, providing appropriate liquidity initially before considering investment return.
- 2.2 The second main function of the treasury management service is the funding of the Authority’s capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.
- 2.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums

invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

- 2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

*“The management of the local authority’s borrowing, 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.”*

- 2.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

- 2.6 ‘Investments’ in the definition above covers all the financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under the CIPFA code.

- 2.7 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 in order to manage these risks.

- 2.8 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. These principles will be applied across all investment activities, including any more commercially based investments.

### **3 CIPFA Reporting / Other Requirements**

- 3.1 The CIPFA 2021 Prudential and Treasury Management Codes require all Local Authorities to prepare a Capital Strategy report which provides:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications of future financial sustainability.

The aim of the strategy is to ensure that all the Authority’s elected members fully understand the overall long-term policy objectives and resulting Capital

Strategy requirement, governance procedures and risk appetite. This was reported to the Executive Board in February 2023.

3.2 The Code also sets out requirements for Treasury Management. The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals. These are:

- **Prudential and treasury indicators and treasury strategy** (this report) – to cover capital plans (including prudential indicators), a minimum revenue provision (MRP) policy, the Treasury Management Strategy (how investments and borrowings are organised) including treasury indicators and an Annual Investment Strategy
- **A mid-year treasury management report** – a progress report to update Members on the capital position, amending prudential indicators as necessary, and whether any policies require revision
- **An annual treasury report** – backward looking review of the year, which provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.3 The reports mentioned above are required to be scrutinised before being recommended to the Full Council for approval. This role is undertaken by the Resources Board.

3.4 In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. Monitoring reports on the position at the end of June and end of December will be brought to Resources Board but these two reports do not need to be reported to Full Council. The quarterly reports should include updated Treasury / Prudential Indicators.

3.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that the Council adopts the following four clauses:

3.5.1 This organisation will create and maintain, as the cornerstones for effective treasury and investment management:

- A treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control these objective;
- Investment practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6,7 and 8 of the Treasury Management Code, subject only to amendment where necessary to reflect the particular

circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code's key principles.

3.5.2 This organisation will receive reports on its treasury and investment management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after the close in the form prescribed in its TMPs and IMPs

3.5.3 This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Resources Board, and administration of treasury management to the Section 151 Officer (Corporate Director Resources), who will act in accordance with the organisations policy statement, TMPs and IMPs, and if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management

3.5.4 This organisation nominates the Full Council to be responsible for ensuring effective scrutiny of the treasury management strategy and practices.

3.6 The current version of the Treasury Management Policy Statement is attached at Appendix A.

...

#### 4 **Treasury Management Strategy for 2023/24**

... 4.1 The suggested strategy for 2023/24 is attached as appendix B.

4.2 The strategy covers:

- the current treasury position
- treasury indicators which will limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the MRP strategy
- the investment strategy
- creditworthiness policy
- policy on use of external service providers.

#### 5 **Annual Investment Strategy**

... 5.1 The Council's investment policy is attached at Appendix C. It has regard to the DLUHC's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

#### 6 **Report Implications**

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

6.1.1 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.

## **6.2 Environment, Climate Change and Health Implications**

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

## **6.3 Risk Management Implications**

6.3.1 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 C. 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.

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

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

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

**Treasury Management Policy Statement 2023-24**

- 1.1 The Council defines the policies and objectives of its treasury management as the management of the Council's investments and cash flows, its banking, money market and capital market transaction; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2 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 will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.3 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 best practice in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management. It is important, therefore, that the Council's investment framework should seek to safeguard the Council's funds rather than to maximise returns. Due consideration must, therefore, be given to:
- Security: the creditworthiness of the counterparty;
  - Liquidity: how readily available to cash is; the term of the investment;
  - Yield or the rate of return on the investment.

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment. Security and liquidity will take priority over yield, but the highest yield possible may be sought once security and liquidity have been assured.

- 1.4 The Council will receive reports on its treasury management policies, practices and activities including an annual strategy and plan in advance of the year, an annual report after its close, and an update report at other intervals, so that Members are informed of activities at each Board cycle. These reports will be in the format prescribed in the Council's Treasury Management Practices (TMP).
- 1.5 The Council delegates responsibility for the implementation of its treasury management policies and practices to the Resources Board, and for the execution and administration of treasury management decisions to the Corporate Director (Resources), who will act in accordance with the Council's statement and TMP's and if he/she is a CIPFA member, CIPFA's "Standard of Professional Practice on Treasury Management".

**March 2023**

### TREASURY MANAGEMENT STRATEGY FOR 2023/24

The strategy for 2023/24 covers two main areas:

#### Capital Issues

- The capital expenditure plans and the associated prudential indicators
- The minimum revenue provision (MRP) policy

#### Treasury management issues

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Authority
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy
- Creditworthiness policy; and
- The policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

#### Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The code also states that “all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making”.

The scale of this depends on the size and complexity of the organisation’s treasury management needs. However, consideration should be given to how to assess whether treasury management staff and board / council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, the Council will carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified
- Prepare learning plans for treasury management officers and board / council members

- Require treasury management officers and board / council members to undertake self-assessment against the required competencies
- Have regular communication with officers and board / council members, encouraging them to highlight training needs on an ongoing basis.

It is some time since Members have undertaken Treasury Management training, so training will be organised after the elections in May 2023. The training needs of officers involved in treasury management activity are reviewed annually as a minimum.

A formal record of training undertaken by both Officers and Members will be maintained by the Corporate Director Resources.

### Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the Council and it will make decisions after taking into account advice or information given from Link, but the Council will not solely rely on this advice. 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.

### THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2026/27

The authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those which were included in the recent budget cycle.

<b>Capital Expenditure £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Non- HRA	2,418	6,814	7,998	883	504	350
HRA	10,056	9,853	8,333	4,082	4,166	4,253
<b>Total</b>	<b>12,474</b>	<b>16,667</b>	<b>16,331</b>	<b>4,965</b>	<b>4,670</b>	<b>4,603</b>

## APPENDIX B

The table below summarises the above capital expenditure plans and how these plans are being financed by revenue or capital resources. Any shortfall of resources results in a borrowing need.

<b>Financing of Capital Expenditure £000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
Capital receipts	1,174	2,559	521	519	517	337
Capital grants	2,124	885	-	-	-	-
Capital reserves	8,008	8,511	7,030	3,002	3,294	3,211
Revenue	-	-	-	-	-	-
<b>Total</b>	<b>11,306</b>	<b>11,955</b>	<b>7,551</b>	<b>3,521</b>	<b>3,811</b>	<b>3,548</b>

### The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resources, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The Authority has approved the CFR projections below:

<b>£000</b>	<b>2021/22 Actual</b>	<b>2022/23 Estimate</b>	<b>2023/24 Estimate</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
<b>Capital financing Requirement</b>						
Non-HRA	12,380	12,101	15,539	15,746	15,203	14,750
HRA	44,934	47,324	50,414	48,796	47,079	45,311
<b>Total CFR</b>	<b>57,314</b>	<b>59,425</b>	<b>65,953</b>	<b>64,542</b>	<b>62,282</b>	<b>60,061</b>
<b>Movement in CFR</b>		<b>2,111</b>	<b>6,528</b>	<b>(1,411)</b>	<b>(2,260)</b>	<b>(2,221)</b>
<b>Movement in CFR represented by</b>						
Net financing need for the year (above)		4,718	9,252	1,443	859	1,055
Less MRP / VRP and other financing movements		(2,607)	(2,724)	(2,854)	(3,119)	(3,276)
<b>Movement in CFR</b>		<b>2,111</b>	<b>6,528</b>	<b>(1,411)</b>	<b>(2,260)</b>	<b>(2,221)</b>

**Liability Benchmark**

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming years and the following two financial years, as a minimum.

There are 4 components to the LB:

- **Existing loan debt outstanding:** the Authority’s existing loans that are still outstanding in future years
- **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP
- **Net loans requirement:** this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast
- **Liability Benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Loan debt o/s	59,425	62,953	64,542	62,372	60,061
Loans CFR	59,425	62,953	64,542	62,372	60,061
Net loan Req't	30,925	37,453	36,042	33,782	31,561
Liability Benchmark	(23,500)	(20,500)	(23,500)	(23,590)	(23,500)

The liability benchmark indicates that the net loan requirement is less than the external borrowing held by the Council. This highlights the fixed term nature of the borrowing taken out for the HRA in 2014 and the expectation that the Councils treasury investments continue at similar levels in the future. This will change as reserves are used.

**Core Funds and Expected Investment Balances**

The application of resources (capital receipts, reserves etc) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc). Detailed below are estimates of year end balances for each resource and anticipated day-to-day cash flow balances.

## APPENDIX B

Year End Resources £000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances/ reserves	24,405	16,957	14,861	15,934	14,870	14,031
Capital Receipts	4,412	3,715	4,304	4,894	5,484	5,860
Provisions	8,354	7,194	8,384	7,184	7,084	5,934
Other	2,195	2,195	1,500	500	400	300
<b>Total Core Funds</b>	<b>39,366</b>	<b>30,061</b>	<b>29,049</b>	<b>28,512</b>	<b>27,838</b>	<b>26,125</b>
Working capital	(10,866)	(8,411)	(15,549)	(18,012)	(17,438)	(15,825)
<b>Expected Investments</b>	<b>28,500</b>	<b>21,650</b>	<b>13,500</b>	<b>10,500</b>	<b>10,400</b>	<b>10,300</b>

### Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP Policy will be the 4% reducing balance (of the opening GF CFR balance less adjustment A), in accordance with the recommendations and intent of Option 1 and the discretion available under the Guidance.

From 1 April 2008 for all unsupported borrowing the MRP Policy will be the asset life method (straight line).

The Council will not charge MRP on capital expenditure incurred until the year after the scheme or asset to which it relates is completed and/or becomes operational. MRP will be spread over a period which reflects the life/beneficial use of the associated asset or item.

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

recommends only that the life period should bear some relation to that over which the asset is estimated to provide a service.

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

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan. Where a loan to a third party is spread over a period, and repayment of principal will only commence once the loan is fully given, no MRP will be made in the interim.

**MRP Overpayments** – Under the MRP Guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

No VRP overpayments have been made to date.

## **BORROWING**

The capital expenditure plans reported to the Executive Board on 13 February 2023 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organized in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cashflow and, where capital plans require, the organization of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

### **Current Portfolio Position**

The overall treasury management portfolio as at 31.03.22 and the position as at 31.12.22 are shown below for both borrowing and investments.

## APPENDIX B

	Actual 31.03.22 £000	Actual 31.03.22 %	Actual 31.12.22 £000	Actual 31.12.22 %
<b>Treasury Investments</b>				
Banks	4,500	0.35	3,000	1.99
Money Market Funds	-	-	6,000	0.99
Certificates of Deposit	18,000	0.41	24,000	1.53
<b>Total Managed In House</b>	<b>22,500</b>	<b>0.40</b>	<b>33,000</b>	<b>1.48</b>
Property Funds	6,000	0.25	6,000	0.70
<b>Total Managed Externally</b>	<b>6,000</b>	<b>0.25</b>	<b>6,000</b>	<b>0.70</b>
<b>Total Treasury investments</b>	<b>28,500</b>	<b>0.39</b>	<b>39,000</b>	<b>1.52</b>
<b>Treasury External Borrowing</b>				
PWLB	44,239	3.05	44,239	3.05
<b>Total External Borrowing</b>	<b>44,239</b>	<b>3.05</b>	<b>44,239</b>	<b>3.05</b>
Net treasury investments / (borrowing)	(15,739)		(5,239)	

The authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital financing Requirement – CRF), highlighting any over or under borrowing.

£000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Debt at 1 April	46,489	44,239	41,979	39,529	37,279	34,829
Expected change in debt	(2,250)	(2,260)	(2,350)	(2,350)	(2,450)	(2,600)
Actual gross debt at 31 March	44,239	41,979	39,629	37,279	34,829	32,229
The Capital financing Requirement	57,314	59,425	65,953	64,542	62,282	60,061
<b>Under / (over) borrowing</b>	<b>13,075</b>	<b>17,446</b>	<b>23,323</b>	<b>27,263</b>	<b>27,452</b>	<b>27,832</b>

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not exceed, except in the short-term, the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Corporate Director Resources reports that the Authority complied with this prudential indicator in the current financial year.

**Treasury Indicators: Limits to Borrowing Activity**

**The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by any other cash resources.

Operational Boundary £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
<b>Total</b>	<b>65,903</b>	<b>69,525</b>	<b>71,212</b>	<b>69,053</b>

**The Authorised Limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority has approved the following authorised Limit:

Authorised Limit £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
<b>Total</b>	<b>73,259</b>	<b>76,975</b>	<b>78,761</b>	<b>76,704</b>

**Prospects for Interest Rates**

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. Link provided the following forecasts on 24 February 2023. These are forecasts for certainty rates, gilt yields plus 80 basis points.

	<b>Mar 23</b>	<b>Jun 23</b>	<b>Sep 23</b>	<b>Dec 23</b>	<b>Mar 24</b>	<b>Jun 24</b>	<b>Sep 24</b>	<b>Dec 24</b>
Bank rate	4.25%	4.5%	4.5%	4.25%	4.00%	3.75%	3.25%	3.00%
5 Yr PWLB	4%	4%	3.9%	3.8%	3.7%	3.6%	3.5%	3.4%
10 Yr PWLB	4.2%	4.2%	4.1%	4%	3.9%	3.8%	3.6%	3.5%
25 Yr PWLB	4.6%	4.6%	4.4%	4.3%	4.2%	4.1%	3.9%	3.8%
50 Yr PWLB	4.3%	4.3%	4.2%	4.1%	3.9%	3.8%	3.6%	3.6%

### PWLB Rates

Yield curve movements have become less volatile under the Sunak / Hunt government. PWLB 5 to 50 years Certainty rates are, generally, in the range of 4% to 4.6%.

It is considered that the markets have already priced in nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further movements of gilt yields across the whole spectrum of the curve is possible.

The overall balance of risks to economic growth in the UK is to the downside, with the Bank of England projecting two years of negative growth.

Downside risks include labour and supply shortages, the Bank of England acting too quickly or too heavily in increasing bank rate impacting on economic growth, EU trade arrangements impact on trade flows and geopolitical risks abroad that impact on the UK. Upside risks include the Bank of England acting too slowly in increasing bank rate leading to inflationary pressures, the Government acts too slowly in managing public finances, a weak pound and foreign monetary policy impacts on the investment market.

**Borrowing Advice** is that better value is currently found at the shorter end of the curve and longer-term borrowing is better left until rates fall, if possible.

### Borrowing Strategy

The authority is currently maintaining an under borrowed position. This means that the capital borrowing need has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed. The Corporate Director Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

### Policy on Borrowing in Advance of Need

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 the 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.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

**Debt Rescheduling**

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Resources Board at the earliest meeting following its action.

**New Financial Institutions as a Source of Borrowing and / or Types of Borrowing**

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities – shorter term borrowing is generally still cheaper than the Certainty Rate
- Financial institutions - primarily insurance companies and pension funds where the objective is to avoid a cost of carry.

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

**Approved Sources of Long and Short-term Borrowing**

**On Balance Sheet**

	Fixed	Variable
PWLB	•	•
UK Municipal Bond Agency	•	•
Local Authorities	•	•
Banks	•	•
Pension Funds	•	•
Insurance Companies	•	•
UK Infrastructure Bank	•	•
Market (long term)	•	•
Market (temporary)	•	•
Market (LOBOs)	•	•
Stock Issues	•	•
Local Temporary	•	•
Local Bonds	•	
Local Authority Bills	•	•
Overdraft		•
Negotiable Bonds	•	•
Internal (capital receipts & revenue balances)	•	•
Commercial Paper	•	
Medium Term Notes	•	
Finance Leases	•	•

## INVESTMENT STRATEGY 2023/24

### Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities and CIPFA have extended the meaning of investments to include both financial and non-financial investments. This Investment Policy largely deals with treasury (financial) investments.

The Authority's investment policy has regard to the following:

- DLUHC's Guidance on Local Governments Investments
- CIPFA Treasury Management in Public services Code of Practice and Cross Sectoral Guidance Notes 2021
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cash flow needs but to also consider 'laddering' investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

The DLUHC and CIPFA guidance places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- **Other information:** ratings will not be the sole determinant of the quality of an institution, it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

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This Authority has defined the list of types of investment instruments that the finance team are authorised to use. There are two lists in Appendix A under the categories of 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
- **Non-specified investments** are those with less high level of credit quality, may be for periods in excess of one year and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

**Non-specified and loan investment limits.** The Authority has determined that it will limit the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments.

**Lending Limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table below:

Group Limit	Up to 30% of total investments
Other Limits	Up to 50% of investments may be invested for a period of more than 1 year
	Up to 100% of investments may be invested with UK institutions
	Up to 50% of investments may be invested in non-UK institutions
	Up to 100% of investments may be invested for a period of up to 1 year
	Up to 20% of investments portfolio in any one country outside of the UK
Ultra-Short Dated Bond Funds	As the funds are spread over a large number of institutions, these do not form part of any group limit.
Cash Funds	As the funds are spread over a large number of institutions, these do not form part of any group limit.
Property Funds	As the funds are spread over a range of properties, these do not form part of any group limit.

**Transaction limits** are set for each type of investment in the table below:

<b>Fitch Ratings</b>	<b>Investment Duration</b>	<b>Investment Limit</b>
AAA – Money Market Fund (MMF)	12 months and over	£5,000,000
AAA – Cash Fund (USDBF)	12 months and over	£3,000,000
AAA – Property Fund	12 months and over	£2,000,000
AAA – Supranational Bank	12 months and over	£2,500,000
AAA – Supranational Bank	Less than 12 months	£3,000,000
AA+	12 months and over	£2,000,000
AA+	Less than 12 months	£2,500,000
AA	12 months and over	£1,750,000
AA	Less than 12 months	£2,250,000
AA-	12 months and over	£1,500,000
AA-	Less than 12 months	£2,000,000
A+	12 months and over	£1,500,000
A+	Less than 6 months	£1,750,000
A	12 months and over	£1,000,000
A	Less than 6 months	£1,500,000
A-	12 months and over	£750,000
A-	Less than 6 months	£1,250,000
Nationalised/Part-Nationalised	12 months and over	£1,750,000
Nationalised/Part-Nationalised	Less than 12 months	£2,250,000

Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, as set out below:

<b>Approved countries for investment</b>
<p><b>AAA</b> Australia Denmark Germany Netherlands Singapore Sweden Switzerland United States of America (AA+ with S&amp;P)</p> <p><b>AA+</b> Finland Canada (AAA with S&amp;P)</p> <p><b>AA</b> <b>France</b> United Arab Emirates</p> <p><b>AA-</b> Belgium (AA with S&amp;P) Qatar</p>

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United Kingdom (AA with S&P)
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This Authority has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.

All investments will be denominated in sterling.

As a result of the change in accounting standards, some investment instruments could result in an adverse movement in the value of the amount invested, which would result in charges at the end of the year to the General Fund. Any such investments will be kept under consideration.

However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### **Changes in risk management policy from last year.**

The above criteria are unchanged from last year.

### **Creditworthiness Policy**

This Council uses the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's(S&P).

Typically, the minimum credit ratings criteria the Council use will be a Short-Term rating (Fitch or equivalents) of F1 and a Long-Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

The credit ratings of counterparties are supplemented with the following 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; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

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

In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information and information on any external support for banks to help support its decision-making process.

## Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups, and sectors.

- Non-specified treasury management investment limit. The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified investments as detailed in Appendix A.
- **Country Limit.** The Authority will only use approved counterparties from the UK and from other countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this criteria are shown in the table detailed earlier in the document. This list will be amended by officers should rating change, in accordance with the Policy.

**Other limits.** In addition:

- No more than 20% of investments will be place with any non-UK country at any time
- Limits in place will apply to a group of companies
- Sector limits will be monitored regularly for appropriateness.

## Investment Strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (for periods up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer

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periods, the value to be obtained from longer term investments will be carefully assessed. Cash balances and money market funds are used to ensure short term cash flow.

**Investment treasury indicator and limit** – total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need of early sale of an investment and are based on the availability of funds after each year end.

### **Investment Performance / Risk Benchmarking**

The Council will use an investment benchmark to assess the investment performance of its investment portfolio. As the LIBID rate is no longer available, the SONIA rate will be used instead. This rate is 3.927% at the end of February 2023.

The Council is also part of a Warwickshire and West Midlands Investment Benchmarking Group, and also monitors its performance against other members of that group.

### **End of Year Investment Report**

At the end of the financial year the Authority will report on its investment activity as part of its Annual Treasury Report.

### **External Fund Managers**

The Council makes only limited use of external fund managers. This use occurs due to the investments the Council currently holds with Money Market Funds (MMF's). all other investments are managed directly by Officers.

**LOCAL GOVERNMENT INVESTMENTS (England)**

**SPECIFIED INVESTMENTS**

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

Investment	Repayable/ Redeemable within 12 months?	Security / 'High' Credit Rating criteria	Circumstance of use	Maximum period
<b>Money Market Funds (MMF) - Including USDBFs</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	Yes AAA rated	In-house	365 days
<b>Term Deposits- Local Authorities</b>	Yes	N/A	In-house	365 days
<b>Term Deposits- Banks and Building Societies</b>	Yes	See Strategy	In-house	365 days
<b>Banks nationalised by high credit rated countries (sovereign rating)</b>	Yes	Sovereign rating	In-house	365 days
<b>Government guarantee on ALL deposits by high credit rated countries (sovereign rating)</b>	Yes	Sovereign rating	In-house	365 days
<b>UK government support to the banking sector (implicit guarantee)</b>	Yes	UK sovereign rating	In-house	365 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**

Maturities in excess of 1 year <u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating **	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<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 :</i>  <i>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 Link		<i>Suggested limit :</i>  <i>5 years</i>

## APPENDIX C

<b>Term deposits- local authorities</b>	Going concern	No	N/A	In house		<i>Suggested limit : 5 years</i>
<b>Property Funds</b>	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity (average 5% yield since 1970). (ii) Reduces Portfolio Risk through a diversified portfolio  (B) (i) Illiquid – Property is an illiquid asset class and it is not always possible to sell units immediately. (ii) High Cost of Dealing  (iii) high market risk as the property value and performance will fluctuate based on condition of Real Estate market.	No	N/A	To be used in-house after consultation/ advice from Link		<i>Suggested limit : 10 years</i>
<b>UK Gilt Government</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity  B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the gilt		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>
<b>Bonds issued by a financial institution guaranteed by the UK Government</b>	A) Enhanced income – potentially higher return than using a term deposit with similar maturity  B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>

## APPENDIX C

<p><b>Bond Funds</b></p> <p><b>Gilt Funds</b></p> <p><b>(Collective Investment Schemes structured as Open-Ended Investment Companies)</b></p>	<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>		<p>AAA</p>	<p>To be used in-house after consultation/advice from Link</p>	<p><i>Suggested limit 10 years</i></p>
<p><b>Sovereign Bonds (i.e. other than the UK Government)</b></p>	<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>		<p>AAA</p>	<p>To be used in-house after consultation/advice from Link</p>	<p><i>Suggested limit 10 years</i></p>
<p><b>Bonds issued by Multilateral Development Banks</b></p>	<p>(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts)</p> <p>(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.</p> <p>(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.</p> <p>(ii) Spread versus gilts could widen</p>	<p>No</p>	<p>AAA or government guaranteed</p>	<p>Buy and hold to maturity : to be used in-house after consultation/ advice from Link</p>	<p><i>Suggested limit 10 years</i></p>

## APPENDIX C

<b>Sub- Regional Materials Recycling Facility</b>	(A) Enhanced income - Investment opportunity to provide good returns.  (B) (i) Limited market if there is a wish to sell shares.  (ii) Commercial risks have been taken into account in the business case modelling.		N/A	8 local authorities are in partnership to develop a wholly local authority owned/operated Materials Recycling Facility.		<i>Limit 25 years</i>
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**Agenda Item No 8**

**Executive Board**

**21 March 2023**

**Report of the  
Corporate Director (Resources)**

**Pay Policy Statement 2023/24**

**1 Summary**

- 1.1 There is a requirement under Section 38 of the Localism Act 2011 for Councils to have and to publish a Pay Policy Statement, agreed by full Council, which will be subject to review at least annually. This report details the purpose for and the areas to be covered in the Pay Policy Statement.

**Recommendation to Council**

**To adopt the Pay Policy Statement 2023/24.**

**2 Introduction**

- 2.1 The purpose is to provide transparency by identifying
- The methods by which the salaries of all employees are determined;
  - The detail and level of remuneration of the Council's most senior staff.
- 2.2 The policy has been reviewed in line with the requirements and is attached at Appendix A.
- ...
- 2.3 Since the policy was adopted at Full Council on 4 July 2012, it has been reviewed and updated on an annual basis.

**3 Report Implications**

**3.1 Human Resources Implications**

- 3.1.1 As detailed in the appendix.

**3.2 Links to Council's Priorities**

- 3.2.1 This policy statement ensures that the Council meets its obligation under Section 38 of the Localism Act 2011 for Councils and therefore ensuring compliance with legislation.

### 3.3 Legal Implications

3.3.1 As indicated above the Council has a legal duty to publish a pay policy statement under the 2011 Act. Amongst other requirements, the purpose of the statement is to set out the Council's policies for:

- (a) the remuneration of its chief officers,
- (b) the remuneration of its lowest-paid employees, and
- (c) the relationship between—
  - (i) the remuneration of its chief officers, and
  - (ii) the remuneration of its employees who are not chief officers.

The statement at Appendix A meets these requirements, having regard to other applicable legislation relating to public sector pay.

3.3.2 As soon as reasonably practicable after approving its pay policy statement the Council must publish it in such manner as it thinks fit, including on its website.

The Contact Officer for this report is Kerry Drakeley (719300).

#### 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

### PAY POLICY STATEMENT 2023/24

#### Introduction and Purpose

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the Authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Councils approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- the Group/Board responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

This policy statement is subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

#### Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

#### Pay Structure

Based on the application of the Job Evaluation process, the Council uses the nationally negotiated pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine. No pay award has yet been agreed for 1 April 2023 onwards.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain

employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time, it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

### **Senior Management Remuneration**

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 31 March 2023;

- a) Chief Executive  
The current salary of the post is £112,739. The salary falls within a range of four incremental points between £104,919 rising to a maximum of £112,739.
- b) Corporate Director (Resources)  
The current salary of the post is £79,504. The salary falls within a range of four incremental points between £74,081, rising to a maximum of £79,504. The Corporate Director (Resources) is the Council's Section 151 Officer and this was included in the evaluation of the role.
- c) Corporate Director (Streetscape)  
The post is currently vacant. The salary falls within a range of four incremental points between £71,515, rising to a maximum of £75,394.
- d) Directors  
The salaries of posts designated as Directors fall within a range of four incremental points between £66,485 rising to a maximum of £71,368.

Chief Officers' roles are subject to job evaluation under the JNC Job Evaluation Scheme and are paid a salary, which is considered a market rate within districts in the local government sector.

Employment of Chief Officers is in accordance with collective agreements negotiated from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities for Local Government Services, those set out in the National Agreement on Pay and Conditions of Service (currently known as The Blue Book) and as supplemented by:-

- local collective agreements reached with trade unions recognised by the Council
- the rules of the Council

## **Recruitment of Chief Officers**

When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment, and Redeployment Policies. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements.

Where the Council remains unable to recruit Chief Officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council currently has one Chief Officer engaged under such arrangements.

Elected Members appoint all Chief Officers. The pay level offered, on recruitment is typically the bottom point of the salary grade. In situations, however, where the individual recruited has a high level of knowledge or skills, and/or previous relevant experience, a higher salary, up to the maximum salary for that post, may be authorised, by the Chief Executive and the Elected Member recruitment panel. The recruitment panel would authorise this for an appointment of a Chief Executive.

## **Additions to Salary of Chief Officers**

The Council does not apply any bonuses or performance related pay to its Chief Officers.

In addition to basic salary, set out below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties;

- All Chief Officers were entitled to a lease car. Following consultation this was phased out by April 2015. There is some protection in that when the car was returned the Chief Officer received the 'spot value' less 10% as a travel allowance so long as he/she remains in the role. The 'spot value' depends on the officer's grade. The 'spot values' for each grade are detailed at Appendix 1.

Newly appointed Chief Officers will use their own vehicle, and receive an Essential User Allowance. Employees who are not Chief Officers may also receive the Essential User allowance. Essential User Allowances are also detailed at Appendix 1.

The Chief Executive is the Council's Returning Officer and the Electoral Registration Officer (who also manages the elections service) and receives an Election Allowance. The relevant bodies set this allowance. It varies each year depending on the number and type of elections in each year. There is the Borough Council election during 2023/24.

A Chief Officer may be awarded an honorarium when they 'act up' in a role. The Special Sub Group of Executive Board can authorise these. An honorarium either is a one off payment or can be a monthly allowance for a temporary period. The Council does not currently have any Chief Officers receiving an honorarium.

### **Payments on Termination**

In the case of redundancy, a redundancy payment would be made to a Chief Officer in line with the Council's Retirement Policy & Procedure, and the Redundancy Policy & Procedure, which applies to all staff.

In the case of termination due to ill health, then there would be no termination payment but a higher pension benefit may be approved by the Warwickshire local government pension scheme. The pension benefit may include a lump sum in addition to an on-going pension payment.

On termination of employment, if it is not possible or desirable for the Chief Officer to serve their contractual or statutory notice period, then a payment may be made in lieu of the notice period not worked.

Any contractual payments such as outstanding annual leave are usually included in payments on termination of employment. Similarly, any monies owing to the Council would be deducted from payments made on termination.

The Council may choose to make a payment under a Settlement Agreement to protect against compensation claims that could be expensive or bring the Council into disrepute. The Special Sub Group of the Executive Board would approve any such payment.

Where a Section 151 Officer or Monitoring Officer cease carrying out these statutory roles, then the post would be re-evaluated to exclude these duties.

### **Increases to Pay**

Any cost of living increases agreed through JNC are applied to Chief Officers pay. This is typically on 1<sup>st</sup> April each year.

Chief Officers appointed on a salary scale will receive an incremental increase to their pay as follows:

Chief Officers appointed between 1<sup>st</sup> October and 31<sup>st</sup> March will receive an increment after six months service.

Chief Officers appointed between 1<sup>st</sup> April and 30<sup>th</sup> September will receive an increment on the following 1<sup>st</sup> April.

Thereafter, all Chief Officers will receive increments annually on 1<sup>st</sup> April.

Chief Officers' pay will be measured against the market, normally on a three to five yearly basis, to ensure we maintain consistency with peer local authorities. Where there are significant changes in market rates then a pay benchmarking

assessment will be carried out for Chief Officers. The last pay benchmarking on Chief Officers was completed in 2018 as part of the review of the senior management structure, when the role of Deputy Chief Executive was removed. Salary increases were made at this time to all Chief Officer posts, with the exception of the Chief Executive post. In October 2019, a pay benchmarking assessment was carried out on the revised Corporate Director role. The Council's Executive Board approves increases to Chief Officers pay.

## **Publication**

Upon approval by the full Council, this statement will be published on the Councils Website. In addition, for posts where the full time equivalent salary is at least £50,000, the Councils Annual Statement of Accounts will include a note setting out the total amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above

This policy will be available on our website [www.northwarks.gov.uk](http://www.northwarks.gov.uk)

## **Lowest Paid Employees**

Our lowest paid employees' salary is determined by the grade for their post, which is underpinned by a job evaluation scheme, rather than being paid a market rate for their job. Market supplements are given to some posts where there are recruitment and retention difficulties. Currently none of our lowest paid employees receives a market supplement on their salary to bring it up to market rates.

Whilst we may employ apprentices on a lower wage, i.e. the minimum wage, during their apprenticeship they do have a structured training plan leading to a qualification.

With regard to other aspects of remuneration policy, there is equity across all our employees. The same policies set out above apply to our lowest paid employees.

## **Relationship Between Remuneration of our Chief Officers and Other Employees**

Currently the average (mean) of our Chief Officers pay is 2.64 times that of the rest of our employees. Our top earning Chief Officer earns 4.01 times the mean of the rest of our employees.

Currently the average (mean) of our Chief Officers pay is 3.66 times that of our lowest paid employees. Our top earning Chief Officer earns 5.57 times the mean of our lowest paid employees.

Currently the median Chief Officers pay is 2.76 times that of the rest of our employees. Our top earning Chief Officer earns 4.20 times the median salary of the rest of our employees.

These figures are as at 31 March 2023 and do not include travel allowances, essential car user allowances.

Our policy for 2023/24 is to maintain Chief Officers pay within the following maximums:

Ratio of mean pay (Chief Officers: rest of employees) = 3.31

Ratio of median pay (Chief Officers: rest of employees) = 3.67

And not to exceed the following multipliers for our top earning Chief Officer:

5.5 X mean pay of other employees

5.5 X median pay of other employees

### **Accountability and Decision Making**

In accordance with the Constitution of the Council, the Special Sub Group and the Executive Board are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

### **RELATED DOCUMENTS**

Retirement Policy & Procedure  
Redundancy Policy & Procedure  
Recruitment Policy  
Disciplinary Procedure  
JNC Job Evaluation Scheme Outline

Date of this review	March 2023
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## Appendix 1

### Annual Spot Value Less 10%

Chief Executive	£3,456
Corporate Director (Resources)	£3,456
Corporate Director (Streetscape)	£3,456
Directors	£3,456

### Annual Essential Car User Allowance

451-999cc	£846
1000-1199cc	£963
1200cc & above	£1,239