

**To: Deputy Leader and Members of the Resources Board
Councillors D Wright, Chambers, Davey, Davis,
N Dirveiks, Henney, Lea, Moss, Simpson and Waters**

For the information of other Members of the Council

For general enquiries please contact Emma Humphreys/Amanda Tonks on 01827 719221 or via email – emmahumphreys@northwarks.gov.uk or amandatonks@northwarks.gov.uk.

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

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

RESOURCES BOARD AGENDA

13 NOVEMBER 2017

The Resources Board will meet in the Committee Room at The Council House, South Street, Atherstone, Warwickshire on Monday, 13 November 2017 at 6.30pm.

AGENDA

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

- 4 **Minutes of the Resources Board held on 5 September 2017** – copy herewith, to be approved as a correct record and signed by the Chairman.

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members. Questions should be submitted by 9.30am two working days prior to the meeting. Participants are restricted to five minutes each. If you wish to put a question to the meeting please contact Amanda Tonks or Emma Humphreys on 01827 719222 or email democraticservices@northwarks.gov.uk.

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

- 6 **Capital Programme 2017/18 Period 6 Update** – Report of the Assistant Director (Finance and Human Resources)

Summary

This report updates Members on the progress of the 2017/18 Capital Programme in terms of expenditure up to the end of September 2017.

The Contact Officer for this report is Daniel Hogan (719337).

- 7 **General Fund Budgetary Control Report 2017/18 Period Ended 30 September 2017** – Report of the Assistant Director (Finance and Human Resources)

Summary

The report covers revenue expenditure and income for the period from 1 April 2017 to 30 September 2017. The 2017/18 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services report to this Board.

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

- 8 **Housing Revenue Account Budgetary Control Report 2017/2018 Period Ended 30 September 2017** – Report of the Assistant Director (Finance and Human Resources)

Summary

The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 September 2017.

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

- 9 **Internal Audit - Performance for Second Quarter 2017-18** – Report of the Deputy Chief Executive

Summary

The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

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

- 10 **Coleshill Town Council – CASPER Request for Financial Assistance** – Report of the Assistant Director (Streetscape)

Summary

This report details a request from Coleshill Town Council to utilise the site of the former automatic public toilet on High Street, Coleshill for an Art Space along with a capital funding contribution to the project and revenue support for the ongoing use by the public of the toilets in the Town Hall building.

The Contact Officer for this report is Richard Dobbs (719440).

- 11 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – September 2017** – Report of the Chief Executive and the Deputy Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to September 2017.

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

- 12 **Treasury Management Update 2017/18** – Report of the Deputy Chief Executive

Summary

This report shows the Treasury Management activity for the period up to the end of September 2017.

The Contact Officer for this report is Daniel Hogan (719337).

13 **Exclusion of the Public and Press**

Recommendation:

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

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

- 14 **Procurement of a Replacement Revenues and Benefits System** – Report of the Assistant Chief Executive (Community Services) – REPORT TO FOLLOW

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

- 15 **Request to Lift Covenant in Kingsbury** – Report of the Assistant Director (Housing)

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

- 16 **Request to Purchase Land in Polesworth** – Report of the Assistant Director (Housing)

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

- 17 **Land at Birchley Heath** – Report of the Assistant Director (Housing)

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

- 18 **Review of Private Sector Housing Team** – Report of the Assistant Director (Housing)

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

- 19 **Irrecoverable Local Taxation Debts** – Report of the Assistant Chief Executive (Community

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

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

5 September 2017

Present: Councillor D Wright in the Chair

Councillors Chambers, Davey, Davis, N Dirveiks, Henney, Jenns, Lea, Moss and Waters.

An apology absence was received from Councillor Simpson (Substitute Councillor Jenns).

Councillors Humphreys, Jarvis, Lewis, Phillips and Symonds were also in attendance.

22 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

23 **Minutes of the Resources Board held on 22 May 2017**

The minutes of the meeting of the Board held on 22 May 2017, copies having previously been circulated, were approved as a correct record and signed by the Chairman.

24 **Housing and Planning Act 2016 – Private Sector Housing Enforcement Implications** – Report of the Assistant Director (Housing)

Summary

The Assistant Director (Housing) informed Members of the introduction of new legal powers to assist with the regulation of standards in private housing.

Resolved:

- a That the report be noted; and**
- b That the enforcement policy for private sector housing is updated and implemented as set out in the report of the Assistant Director (Housing), and that the Council's scheme of delegation in the Constitution is updated as appropriate.**

- 25 **Capital Programme 2017/18 Period 4 Update – Report of the Assistant Director (Finance and Human Resources)**

Summary

The Assistant Director (Finance and Human Resources) updated Members on the progress of the 2017/18 Capital Programme in terms of expenditure up to the end of July 2017.

Resolved:

That the progress made against the 2017/18 Capital Programme be noted.

- 26 **General Fund Budgetary Control Report 2017/18 Period Ended 31 July 2017**

The Assistant Director (Finance and Human Resources) reported on the revenue expenditure and income for the period from 1 April 2017 to 31 July 2017. The 2017/18 budget and the actual position for the period, compared with the estimate at that date were given, together with an estimate of the out-turn position for services reporting to the Board.

Resolved:

That the report be noted.

- 27 **Housing Revenue Account Budgetary Control Report 2017/18 – Period Ended 31 July 2017**

The Assistant Director (Finance and Human Resources) reported on the total Housing Revenue Account revenue expenditure and income for the period from 1 April to 31 July 2017.

Resolved:

That the report be noted.

- 28 **Internal Audit – Performance for First Quarter 2017-18**

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

Resolved:

That the progress of the Council's Internal Audit function against the agreed plan of work for the year be noted.

29 **Internal Audit – Performance for 2016-17**

The Deputy Chief Executive reported on the progress of the Council's Audit function against the agreed plan of work for 2016-17.

Resolved:

That the progress of the Council's Audit function against the agreed plan of work for 2016-17 be noted.

30 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – June 2017**

The Chief Executive and Deputy Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to June 2017.

Resolved:

That the report be noted.

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

The Assistant Director (Corporate Services) and Assistant Chief Executive (Community Services) updated Members on the use of the Council's Website and provided information on the progress made in promoting and increasing the use of the internet for those services that could be most effectively provided online.

Resolved:

That the report be noted.

32 **Local Discretionary Rate Relief Scheme to Provide Revaluation Support to North Warwickshire Businesses**

The Assistant Chief Executive (Community Services) set out proposals for a local Discretionary Rate Relief Scheme for the Council to assist those businesses who face an increase in bills for 2017/18 onwards arising from the recent evaluation.

Resolved:

That Option 3, as set out in the report of the Assistant Chief Executive (Community Services), be approved and adopted as the Council's Discretionary Rate Relief Scheme for revaluation support.

33 HEART Shared Service

The Assistant Director (Housing) sought approval for a joint Housing Financial Assistant policy for the HEART Shared Service.

Resolved:

That the joint Housing Financial Assistance Policy for the HEART shared service be approved.

34 Exclusion of the Public and Press

Resolved:

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

35 Irrecoverable Local Taxation Debts

The Assistant Chief Executive (Community Services) detailed the amounts recommended for write off in accordance with the write off policy agreed by the Board on 23 May 2016.

- a That the write off of balances over £5,500 totalling £6,229.52 in respect of unpaid Non Domestic Rates as outlined in Appendix A of the report of the Chief Executive (Community Services) be agreed; and**
- b That Appendix B to the report of the Chief Executive (Community Services) which summarises the total amount of write offs in the year to date and over the last 5 years, which includes those written off under delegated powers, be noted.**

36 Garage Site – Church Lane, Middleton

The Assistant Director (Housing) provided the Board with information and future options for the Council garage site at Church Lane, Middleton.

Resolved:

- a That the Assistant Chief Executive and Solicitor to the Council, in consultation with the Assistant Director (Housing) and Chairman of the Resources Board, be given delegated authority to negotiate a lease of the**

Council garage site at Church Lane, Middleton with Middleton Parish Council; and

- b That the Council pay the costs for the clearance of the site.**

37 Exemption to Contract Standing Orders

The Assistant Director (Housing) reported on exceptional circumstances in the procurement of a contract to undertake building works and requested an exemption to contract standing orders.

Resolved:

That an exception to contract standing orders be approved to allow works to Alder and Heather Court, Atherstone to proceed in a timely manner.

38 Request for a Right of Way Over Council Land at Pear Tree Avenue, Kingsbury

The Assistant Director (Housing) reported on a request received from a property owner in Kingsbury to have a right of way or a licence to access their rear garden across the Council's land so that they could develop a new bungalow on the site.

Resolved:

That the request for a right of way or licence over the Council's land be refused.

39 Corporate Counter Fraud Annual Report 2016-17

The Deputy Chief Executive summarised the key issues contained within the Corporate Counter Fraud Annual Report.

Resolved:

That the Corporate Counter Fraud Annual Report 2016/17 be noted.

D Wright
CHAIRMAN

Agenda Item No 6

Resources Board

13 November 2017

Report of the Assistant Director (Finance and Human Resources)

Capital Programme 2017/18 Period 6 Update

1 Summary

- 1.1 The report updates Members on the progress of the 2017/18 Capital Programme in terms of expenditure up to the end of September 2017.

Recommendation to the Board

That progress made against the 2017/18 Capital Programme is noted.

2 Introduction

- 2.1 The Executive Board approved the Council's Capital Programme of £8,848,930 for 2017/18 in February 2017.

- 2.2 At the Executive Board meeting on 19 June, it was agreed to carry forward £2,155,010 of unspent 2016/17 budget. Additionally, an increase in the 2017/18 budget of £38,800 has been approved by the Executive Board, consequent upon the progression of the play area scheme at Bretts Hall Recreation Ground, which will be part funded by a contribution (£18,300) from the existing Disabled Discrimination Act budget. This gives a total approved capital programme for 2017/18 of £11,024,440 (Appendix A).

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3 Budget Profiling

- 3.1 A schedule of works is arranged by each budget holder and each of the schemes are timetabled for completion throughout the year. This schedule is monitored on a monthly basis and discussed with Budget Holders.

4 Housing Schemes

- 4.1 The original budget for 2017/18 is £7,827,800 and there is an agreed carry forward of £2,090,690, which provides a total Housing Capital budget of £9,918,490 (Appendix A).
- 4.2 There has been a total of £3,305,183 spent or committed on the housing capital programme during the first six periods of 2017/18; this is compared to a profiled budget of £3,306,331.

- 4.3 Work is in progress on the new build programmes at Church Walk, Mancetter and St Helena, Polesworth. Church Walk is scheduled for completion by December 2017 and St Helena by June 2018.
- 4.4 Work has begun on the kitchen and bathroom replacements contracts, with invoices received in October. Phase 2 of the roofing programme at Bank Road, Atherstone began in August, whilst the Bretts Hall roofing programme is in progress. Chancery Court is due for completion in November and work at Water Orton is due to commence in January.
- 4.5 The new tender for heating installations, servicing and works, was finalised in August, with work due to be completed in November. Work in relation to the windows and insulation budgets is expected to begin in Wood End and on flats in Atherstone town centre in the next 2 months, subject to planning permission.
- 4.6 An electrical supervisor has been appointed and work is due to commence in November. A leaseholder consultation has been completed in relation to the essential works that are required at Alder and Heather Court Flats.
- 4.7 There will be no vehicle replacements in the 2017/18 financial year, however these replacements are still scheduled to take place in future years. The schemes to cover Disabled Facility Adaptations and Multi Trade Contracts are ongoing and progressing.

5 General Fund Schemes

- 5.1 The original budget for 2017/18 was £1,021,130 and there is an agreed carry forward of £64,320. Additionally, the 2017/18 budget has been increased by £20,500 (referred to in paragraph 2.2 above). This gives a total General Fund Capital budget of £1,105,950 (Appendix A).
- 5.2 There has been a total of £116,424 spent and committed against the general fund capital projects for 2017/18, compared to a profiled budget of £96,169.
- 5.3 Various items of equipment, totalling £46,000, have been purchased to replace existing provision at Polesworth Sports Centre. These items will be funded from the Leisure Equipment Fund and the sale of existing equipment.
- 5.4 The Disability Discrimination Act budget remains unspent pending a review into Council owned buildings, which is expected to be carried out in January 2018.
- 5.5 The budget for refurbishment of council owned buildings will be spent on improvements to doors and downpipes at Arley Sports Centre and revamping the pool lighting at Atherstone Leisure Complex.
- 5.6 Only five vehicles are now expected to be replaced in the current financial year at a combined cost of £284,000. It is anticipated that all other vehicles scheduled for replacement in 2017/18 will now be replaced in 2019/20.

5.7 Work relating to IT projects is ongoing. This includes upgrades to the Oracle and Ingress systems, firewall installations and PC replacements. Contactless pay and encryption facilities are scheduled to be installed in late 2017. Functionality and call security facilities are scheduled to be installed in early to mid 2018.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 Capital schemes will contribute to services provided by the Council, from maintaining decent Council homes, assisting in carrying out adaptations to resident's houses to helping to fund efficient heating systems to promote carbon reduction and encouraging fitness and wellbeing.

6.2 Environment and Sustainability Implications

6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to improve and deliver a range of services to the people of North Warwickshire. The implementation of the capital programme will lead to improvements in the quality of life for the communities of North Warwickshire.

6.3 Risk Management Implications

6.3.1 Failure to make reasonable adjustments to ensure our buildings and facilities are accessible could expose the Council to potential litigation and risks damage to its reputation.

6.4 Equality Implications

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

6.4.2 Failure to make reasonable adjustments could result in limiting access to services provided from our buildings and facilities by disabled people and the potential for legal challenges being taken against the Council.

The Contact Officer for this report is Daniel Hogan (719337).

Capital Budgetary Control Summary 2017/18 - as at P6

APPENDIX A

Cost Centre Description	Original Budget 2017/18	Budget Brought Forward from 2016/17	Virements & Supplementary Budgets	(A)	(B)	(C)	(D)
				Total 2017/18 Approved Budget	Profiled Budget	Total Yr To Date	Total v Profiled Bud
Hsg Disabled Facility Adaptation CH	180,250	0		180,250	100,000	96,774	(3,226)
Hsg Windows	257,500	0		257,500	0	0	0
Hsg Kitchens and Bathrooms	763,500	150,000		913,500	0	85	85
Hsg Insulation	103,000	259,350		362,350	43,000	43,120	120
Hsg Roofing	1,065,000	484,280		1,549,280	245,000	245,806	806
Hsg Heating	309,000	98,320		407,320	151,000	151,053	53
Hsg Electrics	409,000	0		409,000	0	0	0
New Build Housing Project	3,304,060	798,740		4,102,800	2,576,196	2,578,339	2,143
Multi Trade Contract	206,000	0		206,000	126,000	124,871	(1,129)
Replace DLO Vehicles	99,000	0		99,000	0	0	0
Replace Warden Vehicles	96,000	0		96,000	0	0	0
Replace Housing Inspectors Vehicles	74,000	0		74,000	0	0	0
Alder & Heather Court Flats - Essential Works	831,220	300,000		1,131,220	0	0	0
Hsg Capital Salaries	130,270	0		130,270	65,135	65,135	0
Total HRA	7,827,800	2,090,690	0	9,918,490	3,306,331	3,305,183	(1,148)
DDA	288,510	20,240	- 18,300	290,450	0	0	0
Refurbishment of Council Owned Buildings	30,000	0		30,000	3,000	2,935	(65)
Polesworth Leisure Equipment	0	0		0	0	46,000	46,000
General Leisure Equipment	20,000	0		20,000	5,200	2,505	(2,695)
Bretts Hall Recreation Ground	0	30,000	38,800	68,800	0	0	0
Atherstone Leisure Centre Roof Replacement	15,000	0		15,000	0	0	0
Computer Software	30,000	0		30,000	8,000	8,819	819
Infrastructure Improvements	20,000	1,730		21,730	10,000	9,426	(574)
IT Backup Disaster & Recovery	0	1,110		1,110	500	516	16
Payment Management System Upgrade	40,000	0		40,000	0	0	0
Easyline Replacement	10,000	0		10,000	0	0	0
Life Lines	23,000	0		23,000	9,887	4,685	(5,202)
Transport	448,540	11,240		459,780	18,000	17,988	(12)
Decent Homes Standard Assistance	77,500	0		77,500	32,292	14,260	(18,032)
Capital Salaries	18,580	0		18,580	9,290	9,290	0
Total General Fund	1,021,130	64,320	20,500	1,105,950	96,169	116,424	20,255
Total Expenditure	8,848,930	2,155,010	20,500	11,024,440	3,402,500	3,421,607	19,107

Agenda Item 7

Resources Board

13 November 2017

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

**General Fund Budgetary Control
Report 2017/18
Period Ended 30 September 2017**

1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2017 to 30 September 2017. The 2017/18 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

Recommendation to Resources Board

That the report be noted and that the Board requests any further information it feels would assist it in monitoring the budgets under the Board's control.

2 Introduction

- 2.1 Resources Board is responsible for monitoring the Council's overall financial position on the General Fund, and this report gives details of the position at 30 September.
- 2.2 The Board is also directly responsible for a number of internal and front line services. Accounting rules require front line services to show the total cost of providing the service, which includes support costs such as finance and IT services, as well as costs and income directly incurred.
- 2.3 Internal service costs are therefore recharged to all the services they support, both those that remain within Resources Board and those which are the responsibility of other Boards. This report provides some detail on both the front line services relating to this Board and the internal service costs that are recharged, at 30 September 2017.
- 2.4 Where possible, the year-to-date budget figures have been calculated with some allowance for seasonal variations, in order to give a better comparison with actual figures.

3 Services Remaining Within Resources Board

3.1 The total expenditure for those services that remain within Resources as at 30 September 2017 is £1,392,145, compared with a profiled budgetary position of £1,404,432; an under spend of £12,287 for the period. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

3.2 Democratic Process

3.2.1 There are under spends to date on members basic and special responsibility allowance, training and mayoral transport

3.3 Finance Unused Land and Assets

3.3.1 The over spend relates to the business rates, utility costs and professional fees incurred prior to the sale of the old Coleshill Leisure Centre. In addition there are business rates, utility costs and asbestos removal relating to the guide hut in Atherstone.

4 Services Recharged to Other Directorates and Services

4.1 Net expenditure for those services that are recharged to other Directorates and Services, as at 30 September 2017, is £123,357 compared with a profiled budgetary position of £145,836, giving an under spend of £22,480 for the period. However the Council's budget requirement for 2017/18 assumed that there would be a salary vacancy saving in the year of £175,820 and this was included as a central amount. When this is taken into account, the position changes to an over spend of £65,430.

4.2 The central vacancy factor has been added into the budget columns shown in Appendix B, to enable easier comparison with the actual position.

4.3 Directorate Budgets

4.3.1 The profiled central vacancy factor is £87,910. Current vacancy levels within the Directorates are ahead of the profile target, taking into account the use of temporary and agency staff to cover key duties and any recruitment costs resulting from these vacancies, and excluding vacancies that relate to the Housing Revenue Account. The areas with vacancies are Heritage and Conservation, IT, Community Support, Human Resources and Leisure Facilities, most of which remain unfilled.

4.3.2 When the restructure of Leisure Services was approved earlier in the year, the exact redundancy payments that would be required were not known, as consultation with the affected staff was still to be undertaken. These are now available and are shown in the table below. They are greater than the net vacancy saving, leaving some additional costs in the current year.

	£
Central Vacancy factor	87,910
Current agency staff variance	(40,400)
Current salaries underspend	(72,940)
Net Vacancy Total	(25,430)
Leisure restructure redundancy costs	75,890
TOTAL	50,460

4.3.3 In addition to the staffing variations mentioned above, there has been an increase in some professional fees and a reduction in legal fee income received.

5 Performance Indicators

5.1 In addition to the financial information provided to this Board, when the budgets were set in February, performance indicators were included as a means of putting the financial position into context. These are shown at Appendix C.

5.2 The majority of the Performance Indicators are comparable with the profiled position.

5.3 The main reason for the variance in the performance figures for registration of electors is an increase in the number of electors above the budget level.

5.4 The main reason for the variance in the performance figures for rent allowances is due to a lower number of claimants, which has resulted in a higher administration cost per claimant.

5.5 The main reason for the variance in the performance figures for rent rebates is due to a lower number of claimants, which has resulted in a higher administration cost per claimant.

6 Overall General Fund Position

6.1 Appendix D provides an analysis of Board expenditure and the overall position for the General Fund for this report.

6.2 The actual level of Board expenditure for the period to 30 September 2017 is £4,506,976 compared with a profiled budgetary position of £4,534,088 an under spend of £27,112.

6.3 Income on Planning Control is ahead of target by £80,101 as a result of the increase in the number of planning applications being submitted and the receipt of larger applications. This is net of additional professional fees incurred to date. However planning income can vary significantly in year, so this additional income is not yet certain. Land charge income is ahead of profile and associated costs are less than expected, giving a favourable variance. There is also a favourable variance on Building Control.

- 6.4 Within the Community and Environment Board, there are increased refuse and recycling employee costs and recycling haulage and disposal costs. The Cesspool emptying service is currently not meeting the income anticipated in the budget due to the loss of one large contract. In addition to this the Leisure Centres are also not achieving the level of income anticipated. These costs are being partially offset by a reduction in employee and vehicle running costs within Amenity Cleaning and Grounds Maintenance.
- 6.5 Detail relating to Resources Board was detailed in sections 4 and 5.
- 6.6 As well as expenditure directly attributable to services, and included in the Board totals, there are a number of other amounts that need to be taken into account that provide the total net expenditure for the General Fund. This includes investment income, external interest payments and adjustments to reverse capital charges included within Board expenditure, from out of Council expenditure.
- 6.7 Taking these amounts into account, net expenditure for the Council to the end of September totals £3,773,593, compared with a profiled position of £3,820,267. This increases the general under-spend for the period to £46,674.

7 Risks to Services

- 7.1 In setting the budget in January 2017, a number of key risks to the overall budgetary position of the Council were highlighted and these are shown below:-

- A pay award of 1% has been assumed in preparing the budgets. Any settlement above or below this would affect the financial position of the Authority. A ½% variation would equate to £40,250.

A vacancy factor of £175,820 has been included within the overall estimates. Should vacancies be less than expected, additional costs will be borne by the Authority.

- There are potential additional costs for the Council in carrying out its planning function. If the Council loses a planning appeal, an award of costs can be made against the Council (the appellant's costs for the appeal). If the Council consistently loses appeals it will become a designated authority, which means that prospective applicants can submit their applications directly to the planning directorate. This would mean the Council would lose the accompanying planning fee.
- Council expenditure on housing benefit is significant, although the majority is recouped through grant. The transfer of housing benefit into the universal credit administered nationally will impact on council resources.
- The current economic situation could have an increasing impact on the industrial rent income that the Council can obtain. In addition, the NDR on vacant commercial properties will impact directly on the Council's costs.

- The economic situation could also impact on other Council services such as Homelessness, with increased demand leading to additional expenditure.
- The Council is promoting recycling activities across the Borough. Reductions in income for recycling materials could add to the existing costs of the service.
- Limited budgetary provision is available for one off spending on areas such as public enquiries on planning, un-adopted roads and contaminated land issues.
- Reduction or cessation of grants received for Community Development work could impact on the ability of the Council to meet some corporate priorities, as could failure to secure funding for the Branching Out Bus in future years.
- Deterioration of the Council's assets could require costly remedial action, and could also impact on the ability of some services to generate income. Income generation could also be affected more widely by the current economic position

8 Estimated Out-turn for the General Fund

8.1 The anticipated out-turn for the General Fund is detailed in the table below: -

Board		£
	Approved budget 2017/2018	8,364,770
Resources	LA Trading Company (agreed by board in June 2017 as a supplementary)	6,000
Resources	WCC Payroll (agreed by board in June 2017 as a supplementary)	5,970
Planning	Legal Fees for Arragon properties (agreed by board in June 2017 as a supplementary)	125,000
	Expected Out-turn 2017/2018	8,501,740

9 Report Implications

9.1 Finance and Value for Money Implications

9.1.1 The Council's original budgeted contribution from General Fund balances for the 2017/2018 financial year was £452,770. This has increased by £136,970 for the approved supplementary budgets, as shown above in section 8.1. With last year's experience in mind, the use of balances has not been adjusted for the improvement in planning income at this stage, in case it does not continue.

9.2 Environment and Sustainability Implications

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

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

SERVICE REMAINING WITHIN RESOURCES BOARD
Budgetary Control Report 2017/18 as at 30 September 2017

Description	Approved Budget 2017/2018	Profiled Budget to September 2017	Actual to end September 2017	Variance to Date	Comments
Cost of Democratic Process	561,530	283,028	269,746	(13,282)	See comment 3.2
Election Expenses	22,060	13,640	13,938	298	
Registration of Electors	68,250	8,399	8,846	447	
Business Rates	79,220	100,980	99,348	(1,632)	
Council Tax Collection	318,620	173,942	171,345	(2,597)	
Miscellaneous Finance	151,410	(17,548)	(15,997)	1,551	
Compensation and Pension Increases	428,690	203,245	202,601	(645)	
Assisted Car Purchases	(140)	(70)	60	130	
Electricity at Work	23,650	6,485	6,220	(265)	
Finance Unused Land and Assets	3,160	1,580	12,227	10,647	See comment 3.3
Corporate and Democratic Core	555,240	244,419	242,664	(1,755)	
Unallocated Central Support Services	103,730	45,687	48,280	2,593	
Coleshill Shops and Flats	(61,370)	(26,480)	(28,355)	(1,875)	
The Pavilions, Holly Lane	(76,390)	(43,980)	(43,980)	(1)	
Carlyon Road Industrial Estate	(91,790)	(51,475)	(51,800)	(325)	
Innage Park Industrial Estate	(16,230)	21,206	18,455	(2,750)	
Polesworth Workspace Units	60	(325)	(2,229)	(1,903)	
Maya Bar and Restaurant	(10,600)	(5,725)	(5,727)	(2)	
Homeless Persons	91,510	(28,518)	(28,762)	(243)	
Public Conveniences	64,850	20,746	19,637	(1,109)	
Customer Contact	85,880	51,990	49,920	(2,070)	
Rent Allowances	32,010	2,564	4,910	2,346	
Housing Rent Rebates	34,140	(11,621)	(10,194)	1,428	
Concessionary Fares	-	-	(242)	(242)	
Council Tax Support	221,320	97,214	95,792	(1,422)	
Car Parks	77,490	63,058	62,583	(475)	
Broadband Delivery UK	50,320	160	160	-	
Animal Control	73,710	39,630	41,535	1,905	
Abandoned Vehicles	8,880	5,285	5,291	6	
Private Sector Housing Assistance	49,100	30,604	30,587	(17)	
CCTV	128,940	66,159	66,654	495	
Borough Care	303,120	27,039	25,515	(1,523)	
North Warwickshire LEADER	27,180	22,795	22,795	-	
EAFRD Destinalional Development	-	22,135	22,135	-	
Leader Loans	-	38,185	38,185	-	
TOTALS	3,307,550	1,404,432	1,392,145	(12,287)	

RECHARGED SERVICES
Budgetary Control Report 2017/18 as at 30 September 2017

Description	Approved Budget 2017/2018	Profiled Budget to September 2017	Actual to end September 2017	Variance to Date	Comments
Building Maintenance Fund	-	(22,292)	(22,292)	-	
Council Offices	30	23,467	23,453	(14)	
Central Telephones	-	584	(1,964)	(2,548)	
Recruitment	-	6,581	4,148	(2,433)	
Printing and Stationery	10	(4,522)	(5,469)	(946)	
Training	-	770	976	206	
Depot and Stores	10	8,594	8,061	(533)	
Postal Services	-	(7,428)	(4,765)	2,663	
Chief Executive Directorate	40	(429)	66	494	
Assistant Chief Executive	5,530	2,755	(17,483)	(20,239)	
Directorate of Community Services	3,430	21,871	24,365	2,494	
Deputy Chief Executive	17,970	50,335	47,712	(2,623)	
Corporate Services	2,350	33,003	32,118	(885)	
Transport	30	32,548	34,432	1,884	
TOTALS	29,400	145,836	123,357	(22,480)	
Central Vacancy Factor	(175,820)	(87,910)	-	87,910	
Insurance Premium Tax	1,400	-	-	-	
TOTALS	(145,020)	57,926	123,357	65,430	

Performance Indicators (PIs) for budgets reporting to the Resources Board

	Budgeted performance	Profiled Budgeted performance	Actual performance to Date
Registration of Electors			
Cost per elector for the Electoral Register	£1.38	£0.65	£0.18
Business Rates			
% of NDR Collection Rate	99.30%	49.65%	58.74%
Cost per NDR Property	£34.90	£44.48	£43.19
Council Tax Collection			
% of Council Tax Collection Tax	98.00%	58.80%	58.79%
Cost per Household	£11.38	£6.21	£6.13
Coleshill Shops and Flats			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Shop	(£9,637)	(£4,218)	(£4,389)
The Pavilions			
Occupancy Rate	100.00%	100.00%	100.00%
Annual Income per Unit	(£10,446)	(£5,946)	(£5,946)
Carlyon Road Industrial Estate			
Occupancy Rate	81.00%	81.00%	81.00%
Annual Income per Unit	(£5,223)	(£3,535)	(£3,556)
Innage Park Industrial Estate			
Occupancy Rate	85.00%	85.00%	85.00%
Annual Income per Unit	(£5,635)	(£2,933)	(£2,935)
Polesworth Workspaces			
Occupancy Rate	75.00%	75.00%	87.00%
Annual Income per Unit	(£1,488)	(£744)	(£744)
Rent Allowances			
Number of Claimants	1,710	1,710	1,583
Rent Allowances per Claimant	£4,791	£2,211	£2,519
Cost of Administration per Claimant	£18.72	£1.50	£3.10
Rent Rebates			
Number of Claimants	1,585	1,585	1,510
Rent Rebates per Claimant	£3,694	£1,704	£2,170
Cost of Administration per Claimant	£21.54	-£7.33	-£6.75

CONSOLIDATED GENERAL FUND POSITION
Budgetary Control Report 2017/18 as at 30 September 2017

Board	Approved Budget 2017/2018	Expected position at September 2017	Actual position at September 2017	Variance
Executive	569,340	303,939	305,895	1,956
Planning and Development	377,880	128,116	25,780	(102,335)
Licensing Committee	17,950	2,708	1,923	(785)
Community and Environment	5,200,890	2,607,467	2,628,376	20,909
Resources (including staff vacancies)	3,055,130	1,462,358	1,515,502	53,144
Payments to Parish Councils	59,000	29,500	29,500	-
Other Contingencies	59,450	-	-	-
Net Board Expenditure	9,339,640	4,534,088	4,506,976	(27,112)
Investment Income	(80,000)	(40,000)	(59,562)	(19,562)
Revenue Contribution to Capital Spending	119,000	59,500	59,500	-
Use of Balances	(589,740)	(294,870)	(294,870)	-
Financing Adjustment	(876,900)	(438,450)	(438,450)	-
Net Expenditure	7,912,000	3,820,267	3,773,593	(46,674)

Use of Balances - Original Budget	452,770
Planning and Development - Legal Costs	125,000
Resources - WCC Payroll	5,970
Resources - LA Trading Company	6,000
Use of Balances - Approved Budget	589,740

Agenda Item No 8

Resources Board

13 November 2017

Report of the Assistant Director
(Finance and Human Resources)

Housing Revenue Account
Budgetary Control Report 2017/2018
Period Ended 30 September 2017

1 Summary

- 1.1 The report covers total Housing Revenue Account revenue expenditure and income for the period from 1 April to 30 September 2017.

Recommendation to the Board

To consider if any further information is required.

2 Introduction

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

3 Overall Position

- 3.1 The Housing Revenue Account (HRA) includes all costs and income relating to the letting and management of the Council's housing stock, and this has to be kept separate from General Fund expenditure. The actual position for the HRA for the period ended 30 September 2017 is a surplus of £793,262, compared with a forecast surplus position for the period of £666,507. Where possible, the forecast position has been profiled to reflect seasonal variations in expenditure and income, in order to give a better comparison with actual figures. The actual position is a favourable variance of £126,755 against the forecast position. Appendix A to this report provides details of the profiled and actual position for expenditure and income incurred by the HRA.

...

- 3.2 The contribution to the Repairs Fund is transferred from the Revenue Account on a monthly basis as profiled. The actual spend on repairs is shown within the Repairs Fund. Similarly budget provision within the Revenue Account for capital expenditure is transferred to capital reserves, which are then utilised to fund HRA capital expenditure included in the capital programme.

- 3.3 Supervision and Management General – There is an under spend on council tax paid on void properties at this point, although this is expected to relate to timing differences. In addition there is a general underspend on supplies and services budgets.
- 3.4 Supervision and Management Special – There is a general under spend on premise related costs and supplies and services costs on the flats and communal centres budgets.
- 3.5 Rent collection income is higher because there has been a lower level of voids at 1.19% against the budgeted level of 2%. In addition some new build rental properties have come on line earlier than expected and at affordable rental levels.

4 **Housing Repairs Fund**

- 4.1 The Housing Repairs Fund covers expenditure on all repairs and maintenance, both day to day and programmed, whether carried out by Housing Direct Works or external contractors. This includes any surplus or deficit on the operation of Housing Direct Works.
- 4.2 The balance on the Fund at the start of the year amounted to £487,589. The balance can be used to cover timing issues between years. In 2017/18 the contribution to the fund is £3,063,310. Any over-spend in the repairs fund would impact on the use of Housing Revenue Account balances if it exceeded the balance on the fund and the contribution in the year. The current overspend mainly relates to vacancies and the high sickness levels in Housing Direct Works which has increased the need to use subcontractors to complete outstanding works.

... 4.3 The position on the fund at the end of September is shown in Appendix B.

5 **Housing Direct Works**

- 5.1 There is an under spend on employee costs reflecting the current level of vacancies, which have been covered by the use of sub contractors shown with in the supplies and services line below. There is an increase to date in supplies and services due to the use of sub contractors to cover for vacancies identified above, however, the majority of this is offset by lower use and cost of materials. There is an underspend on vehicle fuel due to the price per litre being lower than expected and lower vehicle maintenance due to the replacement of part of the vehicle fleet in 2016-17. A lower level of work has been undertaken for the General Fund Building Maintenance works and capital. Appendix C to this report provides the profiled and actual expenditure of Housing Direct Works in more detail.

...

6 **Risks to the Budget**

- 6.1 The key risks to the budgetary position of the Housing Revenue Account in 2017/18 include:

- The potential ongoing impact of sustaining rent income levels with the changes being implemented as welfare reforms;
- The requirement on the Council to meet statutory housing needs and support tenants to sustain their tenancies as well as manage them in moving on as secure tenancies are replaced with insecure ones;
- A change in interest rates, if funds need to be borrowed;
- A reduction in the rent levels assumed in the Business Plan, as this could impact significantly on the expected surpluses. More attractive Right to Buy conditions could encourage higher sales;
- The requirements of an ageing stock and the need to meet the Decent Homes Standard are likely to continue to increase the demand for capital works. Work to keep the Council's asset in good condition will be prioritised and accommodated within existing budgets;
- Any reduction in the performance of Housing Direct Works will put pressure on the Council to use external contractors, which will impact on the level of expenditure;
- Asbestos removal is an ongoing cost pressure over the next few years until the full picture of the level of asbestos contained in council houses and the cost of removal is assessed;
- The levy for high value vacancies could be significant, requiring reductions in other spending.

7 Estimated Out-turn

7.1 The anticipated out turn for the HRA for 2017/18 is detailed in the table below;

	£
Approved budget (Surplus) 2017-18	(316,740)
Additional Rental income – due to lower void levels and new build properties being let earlier than expected	(100,000)
Expected Outturn (Surplus) 2017-18	(416,740)

7.2 The estimated out-turn for the Repairs Fund remains the same as that included in the original budget. Measures are in place to prevent the current overspend continuing into the second half of the year, however if high levels of sickness continue there will be a need to provide cover. If it does continue, the fund has sufficient capacity to cover the additional costs.

8 Report Implications

8.1 Finance and Value for Money Implications

8.1.1 The Council is currently forecasting a contribution to the Housing Revenue Fund balance for the 2017/18 financial year of £316,740. This is expected to increase by £100,000, as shown above in section 7.1. Income and expenditure will continue to be closely managed and any issues that arise will be reported to this committee for comment.

8.2 **Environment and Sustainability Implications**

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

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

HOUSING REVENUE ACCOUNT

	Original Budget 2017/2018	Expected Spend to September 2017/2018	Actual Spend to September 2017/2018	Variance	Comments
EXPENDITURE					
Repairs and Maintenance	3,063,310	1,552,203	1,552,203	-	Comment 3.2
Supervision and Management - General	1,414,700	694,653	668,441	(26,212)	Comment 3.3
Supervision and Management - Special Services	496,410	221,469	197,301	(24,168)	Comment 3.4
Provision for Bad Debts	172,410	86,205	86,205	-	
Interest on Loans	1,593,150	796,575	796,575	-	
Revenue Set Aside (debt Repayment)	1,600,000	800,000	800,000	-	
Capital Expenditure - New Build	1,159,490	579,745	579,745	-	Comment 3.2
Capital Expenditure	2,164,020	1,082,010	1,082,010	-	Comment 3.2
Total Expenditure	11,663,490	5,812,860	5,762,480	(50,380)	
INCOME					
Gross Rent Income from Dwellings	(11,493,850)	(6,225,835)	(6,302,450)	(76,615)	Comment 3.5
Gross Rent Income from Non-Dwellings	(354,610)	(198,010)	(197,627)	383	
Charges for Services and Facilities	(90,980)	(35,127)	(35,270)	(143)	
Total Income	(11,939,440)	(6,458,972)	(6,535,347)	(76,375)	
NET COST OF SERVICES	(275,950)	(646,112)	(772,867)	(126,755)	
Investment Income- Other	(40,790)	(20,395)	(20,395)	-	
TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	(316,740)	(666,507)	(793,262)	(126,755)	

Appendix B

HOUSING REPAIRS FUND (to end of September 2017)

	£
Balance available at 1 April 2017	487,589
Contribution 2017/18 (to September 2017)	1,552,203
Expected Use of Fund (to September 2017)	(1,620,843)
Surplus on the Fund at 30 September 2017	418,949

APPENDIX C

HOUSING DIRECT WORKS

Budgetary Control Report as at 30 September 2017

	Original Budget 2017/2018	Expected Spend 2017/2018	Actual Spend 2017/2018	Variance
EXPENDITURE				
Employee Costs	950,720	471,225	401,775	(69,450)
Supplies and Services	601,660	301,060	329,433	28,373
Transport	98,500	49,613	35,266	(14,347)
Income	(56,190)	(28,095)	(6,977)	21,118
Gross controllable Expenditure	1,594,690	793,803	759,497	(34,306)
Central Support	270,400	135,200	135,200	-
Housing Direct Works Expenditure	1,865,090	929,003	894,697	(34,306)

Agenda Item No 9

Resources Board

13 November 2017

Report of the Deputy Chief Executive

Internal Audit – Performance for Second Quarter 2017-18

1 Summary

- 1.1 The report allows the Board to monitor the progress of the Council's Internal Audit function against the agreed plan of work for the year.

2 Recommendation to the Board

That the report be noted.

3 Introduction

- 3.1 The PSIAS -Public Sector Internal Auditing Standards on Internal Audit in Local Government defines standards of best practice for internal audit. The Standard requires that Members both approve the Internal Audit Section's strategic work plan and receive periodic reports on performance against plan. This report summarises performance for July to September 2017.

4 Summary of Work Completed

- ... 4.1.1 Appendix A to the report summarises progress on the approved audit plan for the period, identifying audits completed and indicating the extent of progress on those audits still outstanding. The number of major audits scheduled has reduced due to the complexity of the reviews currently being undertaken.
... Appendix B provides definition for the levels of assurance applied.
- 4.1.2 Internal Audit continue sample testing on key financial systems and plan to carry out intensive reviews of three major financial systems during the year, namely; benefits, NDR and debtors.
- 4.1.3 The audits of Performance Management and Ordering of Goods and Services have been finalised with assurance levels of substantial and adequate being given respectively. Two further draft reports have been prepared on Asset Management and, Procurement and Contracts. Work is ongoing on several other areas from the approved audit plan. During the quarter substantial reductions in time available (35%) have resulted from officers taking summer annual leave.
- 4.1.4 A major review of Housing Benefits is underway together with reviews of Energy Management and Homelessness. Reports will be prepared in quarter three.

Work has also been undertaken on Quartix (Vehicle management system), NFI (National Fraud Initiative) data matching results and preparation and self assessment of the Internal Audit Service for an external assessment planned in late November 2017. This is in accordance with the PSIAS (Public Sector Internal Auditing Standards) requirement for such an assessment at least every five years.

Performance Management

Scope

To follow up any actions from the previous audit report and for any areas previously identified as not complying with stipulated processes, assess progress with addressing the concerns raised going forward with 2017/18 PIs. In addition, this review sought to assess / question whether any of the 2016/17 year end PIs the various Boards are monitoring add value.

Work Undertaken

Previous actions followed up, existing processes checked for non compliance previously. Current indicators reviewed for adding value and being meaningful to the council and where this was not apparent, seeking explanation for continued use, alternative options or subsequent removal from collection.

A substantial level of assurance was given as procedures were being complied with and the majority of indicators added value to the organisation. Where this was debatable agreement was reached to review these.

Ordering Goods and Services

Scope

To review practices focusing specifically on: buying decisions; raising of requisitions; placing of approved orders within designated authorisation limits; existing contracts / collaborative arrangements; reasonableness of purchases; confirmation of receipt, prior to invoice payment; correct coding.

Work Undertaken

Downloads were obtained from the TOTAL creditor payments system of paid creditor invoices and sample invoices selected for audit testing purposes as follows:

15 purchase order invoices; and 15 non-purchase order invoices in the period 1/01/17 to 30/06/17.

An adequate level of assurance was given due to gaps in internal control over user system settings and authorisation limit management.

- 4.2 The Internal Audit Section continues to undertake work recorded under contingency audits namely in vehicle management. There are also reviews carried out either resulting from departmental requests, external audit suggestions, counter fraud activity or monitoring of reporting information from the National Fraud Initiative.
- 4.3 The performance standards set by the Audit Commission require that Internal Audit complete at least 90% of planned work in the year unless there are good reasons otherwise. In calculating that statistic, planned work deferred at

client request is ignored if such deferrals have appropriate justification. All client requests for deferrals have been based on sound, service based justifications.

5 Report Implications

5.1 Risk Management Implications

5.1.1 Failure to provide an effective Internal Audit Service may adversely affect the level of internal control operating within the Council and will attract criticism from external assessors.

5.2 Links to Council's Priorities

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

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

Planned Audits Completed second quarter 2017-18

Audit	Quarter Due	Status	Assurance Level	Tot No. of Recs	Priority1	Priority2	Not Agreed
Performance Management	1	Final	Substantial	2	0	2	
Ordering goods and services	2	Final	Adequate	6	1	5	

Progress Against Audit Plan

Audit	Status	Due	Audit	Status	Due
Recruitment	Final	Qtr 1	Streets	Final	Qtr 1
Perf Mgmnt	Final	Qtr 1	Data Prot	Final	Qtr 1
Rents	Final	Qtr 1	Ten Fraud	Final	Qtr 1
Hubs	Final	Qtr 1	Homeless-ness	Ongoing	Qtr 3
Benefits	Ongoing	Qtr 3	Asset Man	Draft	Qtr 3
Procurement & contracts	Draft	Qtr 3	Energy mgmnt	Ongoing	Qtr 3
Ordering goods & services	Final	Qtr 2			

Performance of Audit 2017-18 for Quarterly Indicators			
No.	Indicator	Suggested Frequency	Performance for 2016-17
1	Performance reports to Resources Board	Quarterly	Sep & Nov 2017
3	Number of audits where time taken to complete the work is more than 10% longer than planned.	Quarterly	0
4	Number of audits completed by set deadline	Quarterly	8
5	Final report issued within 4 weeks of completion of fieldwork	Quarterly	8
9	Questionnaire:Feedback obtained from report recipients is good (average 4 out of 5)	Quarterly	Good in those obtained
10	% of sickness levels within Audit is below 5%	Quarterly	0.00%

2017-18 Internal Audit report recommendations Not Agreed

Audit	Recommendation	Management Response
Housing Tenancy Fraud	For RTB applications Tenants photos to be given to surveyors for verification on visits and prevent fraud at early stage	ADH not comfortable with surveyors checking this - not responsible and not in their job description

1 Summary

- 1.1 This report details a request from Coleshill Town Council to utilise the site of the former automatic public toilet on High Street, Coleshill for an Art Space along with a capital funding contribution to the project and revenue support for the ongoing use by the public of the toilets in the Town Hall building.

Recommendation to Board

- a That the Council grants an annual licence to the Town Council in relation to the land on High Street, Coleshill on which the automatic public toilet was previously sited;**
- b That Members agree what level, if any, of annual revenue support North Warwickshire Borough Council should give Coleshill Town Council in respect of ongoing public convenience provision;**
- c That Members agree what level of capital support, if any, the Council should grant to the CASPER art project; and**
- d If financial support is proposed in b or c above then a recommendation to Executive Board will be required for a supplementary estimate for the required sums.**

2 Background

- 2.1 The Council's Community and Environment Board resolved at its meeting of 8 September, 2015 to terminate the contract for the provision of three automatic public conveniences in Polesworth, Water Orton and Coleshill. Following that decision the contract with the supplier was terminated and the units were removed in December 2016. Earlier this year Coleshill Town Council wrote to the Borough Council to ask whether the land on which the public toilet was sited was available for lease or sale. A request to utilise the land as an arts space (attached at Appendix A) has been considered in the first instance by the Council's Leaders' Group who agreed that the Council's Resources Board was the appropriate body to decide on the Town Council's requests in relation to the land transfer and for financial support.

3 Land Transfer

- 3.1 Coleshill Town Council has asked if the Borough Council would consider transferring the land on which the automatic toilet was sited to the Town Council. Another option which could be considered is for the land to be utilised by the Town Council under a licence, provided at a peppercorn rent. This is the option favoured by officers and recommended to the Board as it would enable the Borough Council to maintain the freehold interest in the site.

4 CASPER – Request for Financial Assistance

- 4.1 The Town Council has, in addition to the request to use the site as the location for an arts space, requested that the Borough Council considers making a financial contribution to the CASPER project. Details of the project are included in the letter attached at Appendix A and the brief summary document attached at Appendix B. The Town Council is seeking to pay for the arts project through crowd funding and contributions from local groups and organisations (including Warwickshire County Council) with an initial funding target set at £24,845. The Town Council has suggested a capital contribution from the Borough Council of at least £5,000 is pledged in support of the project. It is stressed that no funders will be charged until the funding stage is successfully completed. To date the Town Council has raised £10,549 in pledges.

- 4.2 The Town Council considers the project would deliver a number of benefits, including:

- The benefit to the North Warwickshire economy and to the quality of life in terms of the provision of a tourist attraction, talking point and pleasant place to visit /appreciate.
- The opportunity for North Warwickshire Borough Council to be involved in a community-led project involving businesses, schools, voluntary organisations, media, residents and other authorities.
- The Borough Council savings in public convenience provision costs from not operating them but the knowledge that alternative facilities exist from another local authority.
- The lack of obligations for further investment in fixtures and fittings, and associated cleaning and repairs for this now disused public area.

5 Provision of Public Toilets in Coleshill

- 5.1 In addition to the request to support the CASPER art project, the Town Council has also approached the Borough Council to ask for ongoing financial support in relation to the provision of public toilets. Members will be aware that, following the removal of the automatic public toilets last year, a number of businesses, cafes, pubs and local authority building owners were canvassed with a view to providing community access to their toilets to compensate for the loss of the automatic public conveniences. Those initial approaches proved unsuccessful.
- 5.2 In the letter attached at Appendix A, Coleshill Town Council points to the additional expenditure it has incurred in the cleaning and maintenance of the toilets located in Coleshill town hall. The Town Council believes that this is due to increased usage arising from the loss of the automatic public convenience which was located opposite the town hall building.
- 5.3 Although the Town Council has not formally signed up to an agreement to provide public toilet facilities, its toilets are available to members of the public during the hours when the building is open. The toilets are not accessible outside those times, but they are available for use during parts of the day Monday to Friday and often in the evenings. On those occasions when the building is hired out at the weekend, the toilets are also open to the public. Baby changing facilities are also available at those times.
- 5.4 Members are asked to consider whether an offer of an ongoing revenue contribution to support the provision of toilet facilities at Coleshill town hall should be made to Coleshill Town Council and, if so, at what level.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 There is no capital budget for the provision of grants or other funding to outside bodies for arts installations or similar projects. A licence to occupy the site of the former automatic toilets would attract only a peppercorn rent. There is no budget provision for any financial support to the Town Council in respect of public toilet provision.
- 6.1.2 If funding is proposed for any of the options in the report, then a supplementary estimate will be required for each.

The Contact Officer for this report is Richard Dobbs (719440).



Mr C Greatorex
Town Clerk

Telephone: 01675 463326
E-mail: colin@coleshilltowncouncil.gov.uk

25 October 2017

Mr. Richard Dobbs
North Warwickshire Borough Council
South Street
Atherstone
Warwickshire CV9 1DE

CASPER – Follow Up to Requests for Land Transfer and Finance Assistance

Dear Richard,

Can I please update you on the Coleshill Town Council request for the transfer of North Warwickshire Borough Council land, formerly used for public toilets on High Street, Coleshill. The Town Council has agreed the principle of this land being used for some form of arts space and I understand that a decision by the Borough Council is due shortly on a possible transfer.

Crowd funding for CASPER (Coleshill Art Space Project - Everyone Respects) has been launched and seeks to recognise some aspects of Coleshill's place on the map with a representation of the town: a statue, sculpture, mural or some other art piece. The crowd funding is being managed by Spacehive (through Warwickshire County Council) and more information is on the attached one pager and at:

www.spacehive.com/casper

"Everyone Respects" refers to the design depicting the town in most people's eyes. The project is led by the Town Council with the figurehead of the Mayor, Cllr. Tony Battle but has a community project group looking at delivering this project, with representatives from the Coleshill Post, Love Coleshill, Coleshill Civic Society and the Parish Church. There is already one business sponsor of Certas Energy (operator of the fuel station in Coleshill High Street) and there are other suppliers now offering to provide "in kind" services. As this is a project seen as belonging to the town, residents, schools, voluntary organisations, media and business are all going to be encouraged to put forward ideas. The involvement, ideas and advice of the Borough Council on the project is also strongly encouraged. I have advised of a Working Group meeting tonight but can also inform you of the next one, if you have a nomination for a representative?

Spacehive has recently agreed a revised budget and timescale on the achievement of the crowd funding pledge target. Pledges to date are £10,549 towards a total required of £24,845 with an end date of 12 January 2018. The Town Council has pledged £5,000 so far and it is hoped that significant four-figure sums may be contributed by the County Council (from its Market Towns project budget) and the Borough Council. Funders will not be charged anything at all until the project funding stage is successfully completed. For organisations, it is possible to pledge a figure for payment at a future date when actually required, so that a commitment into 2018 is possible (which would assist in any forward financial budgeting).

Could I therefore formally request that the Borough Council considers the value of a financial pledge to the art project on the same timescale as the decision on the land use?

We have spoken informally about the closure of the public toilets and a Community Toilet Scheme in which the Borough Council was encouraging participation. It was clear that the Town Council's Town Hall would be the nearest and most likely recipient of visitors looking for public conveniences, in the absence of the outdoor public facility previously provided. I am aware that the Borough Council is making a saving of some number of thousands of pounds per annum now and conversely, the Town Council's facilities are more used. I have, on behalf of the Town Council, had to arrange for "deep cleaning" more regularly since the closure (as well as the regular cleaning and materials replenishment being of greater cost). Although it cannot be linked to additional usage, in addition we have had recent issues of damage /failures and necessary repairs to toilet units, sensors and taps in recent months.

The Town Council's toilets are open on a part of day basis Monday to Friday and normally four of those evenings, when the building is occupied. Weekend availability is less predictable but are always offered when there are hirers in the premises. The Town Council took a recent decision to install baby change facilities for use by both male and female parents, further improving the service provision.

If the transfer of land and art piece project were to not take place, the Borough Council might have to invest further to beautify and maintain the area (e.g. seating, bins, other features and the associated cleaning and repairs).

I would in conclusion, hope that the Borough Council was able to make a pledge of at least £5,000. The £24,845 figure is a minimum value for the crowd funding stage. As the size, design, materials and design are yet to be agreed, the total project cost could be varied. Put simply, the more funding there is, the bigger, the more striking and the more durable the materials would be the finished article. In discussion of this matter, can I reiterate that the Borough Council might considers all these factors:

- The benefit to the North Warwickshire economy and to the quality of life in terms of the provision of a tourist attraction, talking point and pleasant place to visit /appreciate.
- The opportunity for North Warwickshire Borough Council to be involved in a community-led project involving businesses, schools, voluntary organisations, media, residents and other authorities.
- The Borough Council savings in public convenience provision costs from not operating them but the knowledge that alternative facilities exist from another local authority.
- The lack of obligations for further investment in fixtures and fittings, and associated cleaning and repairs for this now disused public area.

Could I request this be considered at the forthcoming meeting so that the Town Council could be aware of the Borough Council commitment to further advise other pledgers?

Yours sincerely



Colin Greatorex
Town Clerk

Cc: Cllr Tony Battle (Mayor of Coleshill)
Cllr. Adam Farrell (Chairman of Community & Environment Committee, Coleshill Town Council)



CASPER

www.spacehive.com/casper



Coleshill has a rich and long history:

William the Conqueror - reference to the town as a Royal Manor in Domesday Book – 11th Century,

King John – signing of the market charter – 13th Century

The stagecoach and turnpike era and Jack O'Watton, the Highwayman

Famous names of Sumner, Digby, Wingfield and Father Hudson

The circus elephant being buried off Parkfield Road near Morrisons in 1910

Daniel Defoe's 20th century comment – "a small but very handsome market-town"

Current town twinning with Chassieu in France

The Coleshill Art Space Project - Everyone Respects (CASPER) seeks to recognise some aspects of Coleshill's place on the map with an artist's representation of the town with a statue, sculpture, mural or some other art piece. The location is known: a prominent location in the High Street, opposite the Town Hall:



What piece of art placed here would be typical of Coleshill, tribute Coleshill or help put Coleshill on the tourist map?

There is a project group looking at delivering this project. It is led by the Town Council but supported by representatives from the Coleshill Post, Love Coleshill, the Coleshill Civic Society and the Parish Church. However, this is a project belonging to the town so residents, schools, voluntary organisations, media and business are all going to be encouraged to put forward ideas. That's how "Everyone Respects" the design as it will depict the town in most people's eyes.

Pledges of any value are needed, before 6 November 2017 to allow the project to continue.

Please visit to find more and pledge support: www.spacehive.com/casper

You will not be charged until the project funding stage is successfully completed.

Agenda Item No 11

Resources Board

13 November 2017

Report of the Chief Executive and the Deputy Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - September 2017

1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April to September 2017.

Recommendation to the Board

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

2 Consultation

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

3 Background

- 3.1 This report shows the second quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2017/18. This is the second report showing the progress achieved so far during 2017/18.

4 Progress achieved during 2017/18

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with our local performance indicators during April to September 2017/18 for the Resources Board.

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

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

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

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

5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2017/18 year.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 80% of the performance indicator targets are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	13	100%
Amber	0	0%
Red	0	0%
Total	13	100%

Performance Indicators

Status	Number	Percentage
Green	12	80%
Amber	3	20%
Red	0	0%
Total	15	100%

7 Summary

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

8 Report Implications

8.1 Safer Communities Implications

- 8.1.1 There are community safety performance indicators which are reported to Executive Board.

8.2 Legal and Human Rights Implications

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

8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of actions and indicators which contribute towards the priorities of the sustainable community strategy including financial inclusion, improving broadband access, providing adaptations and preventing homelessness.

8.4 Risk Management Implications

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

8.5 Equality Implications

8.5.1 There are a number of equality related actions and indicators highlighted in the report including improving broadband access, the borough care review and providing adaptations and preventing homelessness.

8.6 Links to Council's Priorities

8.6.1 There are a number of targets and performance indicators contributing towards the priorities of responsible financial and resource management, supporting employment and business, creating safer communities and promoting sustainable and vibrant communities.

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

Background Papers

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

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

NWCP Resources Board 17/18

	Action	Priority	Reporting Officer	Quarter 1	Quarter 2 Update	Status	Direction
NWCP 040	To continue to contribute to the effective provision of services through implementing the actions and projects which help deliver the ICT Strategy and to report on progress to the Resources Board by March 2018	Responsible Financial & Resource Management	Linda Bird	A number of projects are progressing as planned. Progress report will be reported to Resources Board in January 2018.	Projects progressing as planned. Progress report scheduled for January Resources Board.	★ Green	➔
NWCP 050	To continue to seek opportunities to rationalise the Council's property portfolio including:- a) Working with partners in the public and voluntary sectors and reviewing the Council's property assets to ensure they support the Council's priorities and deliver key services in the most efficient and cost-effective way	Responsible Financial & Resource Management	Richard Dobbs	The latest round of the One Public Estate programme has been launched - NWBC will work on OPE with WCC and other local organisations. Possible options to replace the existing depot are also being explored including the potential to work in partnership with neighbouring authorities.	An OPE bid is due to be submitted by WCC (acting as the lead authority) in November with NWBC involved as a partner authority and potential projects in North Warwickshire included in the bid submission	★ Green	➔
	b) Continue to work through a programme of capital and maintenance improvements to key Council buildings, community buildings, shops and industrial units, including seeking ways to reduce, where possible, our carbon footprint.	Responsible Financial & Resource Management	Richard Dobbs	Two Units at Carlyon Road industrial estate have been brought back into service through a rent incentive initiative. Options to improve the energy efficiency and carbon footprint through relamping at ALC are being developed.	Ongoing maintenance and capital improvements are undertaken where necessary and as resources allow.	★ Green	➔
	c) Identify (and dispose of as appropriate) any land or property which is surplus to requirements	Responsible Financial & Resource Management	Richard Dobbs	This process is ongoing with several sites under review with a view to disposal where appropriate	This process is ongoing. A further office accommodation rationalisation exercise is being undertaken and options for the depot are still being explored.	★ Green	➔
NWCP 082	To work to improve broadband access for the people and businesses of North Warwickshire through the work of the Council and specifically the Coventry, Solihull and Warwickshire BDUK Project and report on progress by December 2017	Supporting Employment & Business	Linda Bird	The CSW Broadband cross council working group met on 5th July for a progress update. Tenders for Contract 3 have been evaluated and details will become available in the autumn, after which the CSW team will hold meetings in each Council area. The Council is providing some match funding for work in Contract 3. Further details will be reported in the November or January cycle of Board meetings.	The CSW Broadband cross council working group last met on 4th October. Contract 3 has been awarded and is due to be signed, after which details will become publicly available. The Council is providing some match funding for work in Contract 3. As the Contract is not yet signed further details will be reported to the January cycle of Board meetings.	★ Green	➔
NWCP 084	To implement the Borough Care Review recommendations, including promoting the service to increase customer take-up and working with the Borough Care Task and Finish Group to develop and shape the service and report on progress to the Resources Board from June 2017	Creating Safer Communities	Angela Coates	The Borough Care Task and Finish Group meets to oversee the delivery of the recommendations. The promotional work is at an early stage with extensive engagement with partner agencies being undertaken. The promotional material is being refreshed.	The Borough Care Task and Finish Group meets to oversee the delivery of the recommendations. The promotional work is now developing with attendance at networking events and engagement with GP surgeries and pharmacies. The promotional material has been completely refreshed.	★ Green	➔

	Action	Priority	Reporting Officer	Quarter 1	Quarter 2 Update	Status	Direction
NWCP 037	To work in partnership to develop the HEART (Home Environment & Assessment Response Team) shared service to meet the needs of residents so that they can remain independent in their own homes and to report annually on progress from September 2017. This will include proactive support for the work of the HEART Management Board and monitoring of Business Case actions and performance	Promoting Sustainable & Vibrant Communities	Angela Coates	All Councils are not part of the shared service. The service has been formally launched at the H&WBB and at an open engagement event on 18 August. A shared policy for delivering adaptations and warm and well grants has been drafted and will be submitted to the Resources Board in September.	A promotional plan has been agreed for the service. The joint Financial Assistance Policy has now been agreed by the Resources Board and other partners.	★ Green	➡
NWCP 062(1)	To revise the Asset Management Plan for the Council's own stock by June 2017	Responsible Financial & Resource Management	Angela Coates	Due to the absence of the designated officer appointed to deliver actions from the fire risk assessments delivered in April this objective will be delayed until January 2018.	The revised plan will be submitted to the Resources Board in January 2018.	★ Green	➡
NEW	To review the Housing Direct Works service to ensure it is efficient and provides good customer service. Review to be complete by September 2017	Responsible Financial & Resource Management	Angela Coates	The review is complete and the new structure will be implemented from October 2017.	Good progress has been made in appointing staff to deliver the new structure. In order to meet TUPE obligations it will be fully in place by 1st January 2018.	★ Green	➡
NWCP 098	To ensure good collection rates of rent revenue for the Council's Housing Revenue Account by taking action to mitigate risks to income from changes to welfare benefits and to report quarterly to Board	Responsible Financial & Resource Management	Angela Coates	Rent collection performance remains strong.	Rent collection performance remains strong. Preparation for the roll out of Universal Credit is now being considered.	★ Green	➡
NWCP 112	To continue to ensure that all debts due to the Council, wherever possible, are recovered efficiently in accordance with the Council's Corporate Debt Framework	Responsible Financial & Resource Management	Bob Trahern	Recent data released by the Government indicated that the Council was in the upper quartile in its collection of both in year collection of Council Tax (55th of 326 Councils) and NDR (9th of 326 Councils) indicating that our approach is working. In respect of arrears we are also performing very well, CT (123rd of 326 Councils) and again 9th in NDR. The work we are undertaking to target our worst arrears cases is well underway in this year and delivering some positive results as well as challenges in seeking to engage positively with customers in debt.	Performance in Quarter Two continues to be very strong and the Councils proactive approach in term of its performance and how it is seeking to provide positive solutions to customers to break dependency cycles and debt has been recognised again by being shortlisted for 4 awards at the National Collections and Customer Services Awards that will be announced in November 2017	★ Green	➡
NWCP 113	To report on changes to Homelessness Legislation and take action to implement new requirements, starting with a report to Resources Board following publication of the statutory consultation	Promoting Sustainable & Vibrant Communities	Angela Coates	A timetable has not yet been produced for the enactment of the Homelessness Reduction Bill.	The Homelessness Reduction Act will be implemented from April 2018. A consultation paper was received on 16 October 2017. The changes are significant. Preparation for the changes is now being considered.	★ Green	➡
NEW	To review the Local Council Tax Reduction Scheme, to ensure that it remains affordable and fit for purpose by December 2017	Responsible Financial & Resource Management	Bob Trahern	Work is well underway in reviewing the local scheme and a report will be taken to the Executive Board by November 2017 to confirm the CTRS scheme to be adopted in 2018/19	The scheme for 2018/19 was adopted at Executive Board in September and ratified at Full Council in the same month	★ Green	➡

NWPI Resources 17/18

Ref	Description	Section	Priority	Year End Target 2017/18	Outturn 2016/17	April - Sept Performance	Traffic Light	Direction of Travel	Comments
NWLPI 052	The % of invoices for commercial goods and services which were paid by the authority within 30 days of such invoiced being received by the Authority (former BV8)	Financial Accountancy	Public Services & Council Tax	98	96.14%	99.17%	 Green		
NWLPI 57	Percentage of calls answered through the Central Control system within 60 seconds. (TSA national standard 96.5%):	Community Support	Housing	99	99.00%	99.38%	 Green		
NWLPI 135	Percentage of response repairs completed right first time	Housing Maintenance	Housing	92.00%	87.87%	85.03%	 Amber		Changes to working arrangements due to current Supervisor vacancies and absences have caused a dip in performance because tradesmen are assessing work before jobs can be completed.
NWLPI 068	Gas certificates completed	Housing Maintenance	Housing	100.00%	100.00%	99.95%	 Green		Legal action has been taken to address the outstanding gas service and it is now completed.
@NW:NI156	Number of households living in temporary accommodation (snapshot at end of each quarter)	Housing Management	Housing	6	6	9	 Amber		The Housing Division continues to receive a high number of homelessness applications and sometimes temporary accommodation is required for short time.
NWLPI 136	Number of tenants with more than 7 weeks rent arrears - as an average over the year	Housing Management	Housing	2.75%	2.77%	5.17%	 Amber		The Tenancy Services Officers continue to tackle arrears at an early stage however some tenants have more complex issues to address in order to get them back on track.
NWLPI 070	Average time taken to re-let local authority housing (former BV212)	Housing Management	Housing	30 days	50.46 days	28.41 days	 Green		We continue to seek improvement on this performance. This includes enforcing tenancy conditions to ensure extensive work is not required at void stage.
NWLPI 039	The percentage availability of corporate systems available to users Monday to Friday 8.30 am to 5.30 pm :	Computer Services	Public Services & Council Tax	99.7	99.9%	100.0%	 Green		
NWLPI 040	The percentage of initial response to helpdesk calls within two hours of a call being placed :	Computer Services	Public Services & Council Tax	95	97%	95%	 Green		
NWLPI 041	Percentage of Service Desk Calls resolved in target (total of IS3 to IS6)	Computer Services	Public Services & Council Tax	95	95%	95%	 Green		

Ref	Description	Section	Priority	Year End Target 2017/18	Outturn 2016/17	April - Sept Performance	Traffic Light	Direction of Travel	Comments
NWLPI 096	The Percentage of Calls answered in 20 seconds in the contact centre	Revenues & Benefits	Public Services & Council Tax	75	74%	89%	 Green		
@NW:NI181	The average time taken in calendar days to process all new claims and change events in Housing Benefit and Council Tax Benefit	Revenues & Benefits	Public Services & Council Tax	7.5	8.77	7.59	 Green		On target for year end. Performance continues to improve, and we always see a significant reduction of days to process in February and March due to year end uprating.
NWLPI 106	The percentage of non-domestic rates due for the financial year which were received by the authority (former BV10)	Revenues & Benefits	Public Services & Council Tax	98.6	99.57	58.74	 Green		Above profiled target for year end.
NWLPI 107	Proportion of Council Tax collected (former BV9)	Revenues & Benefits	Public Services & Council Tax	97.8	98.57	58.79	 Green		Above profiled target for year end.
NWLPI 161	Percentage of abandoned calls in the Contact Centre	Contact Centre	Public Services & Council Tax	5%	5%	1%	 Green		

Agenda Item No 12

Resources Board

13 November 2017

**Report of the
Deputy Chief Executive**

**Treasury Management Update
2017/18**

1 Summary

- 1.1 This report shows the Treasury Management activity for the period up to the end of September 2017.

Recommendation to the Board

That the Treasury Management Report for the period up to the end of September 2017 be noted.

2 Introduction

- 2.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before maximising investment return.
- 2.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 2.3 The Council uses the Code of Practice for Treasury Management issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure best practice is followed. The Code suggests minimum requirements for informing Members of Treasury Management activities, and this report follows the guidance of the Code.

3 Economic Forecast

- 3.1 The 2017/18 financial year to date has seen a period of uncertainty, following the prolonged negotiations to leave the European Union. Despite this, UK GDP grew by 0.4% in quarter 2 of 2017/18, slightly exceeding market expectations. Expansion in the dominant services sector was seen as the main cause of the increase, with computer programming seen as the driving force in this area. However, taking into account growth levels in the first six months of 2017, it is expected that UK GDP will record its weakest expansion since 2009. It is also expected that UK GDP will grow at a lower rate in 2018 than nations such as Italy, France and Germany, as the continued uncertainty over Brexit reduces both consumer confidence and business investment.
- 3.2 With 2017/18 Q2 growth exceeding initial expectations and showing an increase on Q1 growth, it was anticipated that the Bank of England would raise interest rates in November, for the first time in a decade. Following the release of the Q2 figures, the pound gained nearly 1% against the dollar, indicating that traders expected an interest rate increase from the current historic low of 0.25%. This expectation has been realised, with the Bank of England raising base rate to 0.5% on 2 November.
- 3.3 The UK's CPI inflation rate climbed to 2.9% in August, its joint highest level since 2012. This was far above the Bank of England's target of 2%, however the Bank of England expects that inflation will begin to reduce in the early months of 2018. The interest rate rise can bring inflation in line by slowing economic growth and strengthening the pound. The Governor of the Bank of England, Mark Carney has reported that he expects an increase in household income and reduction in inflation as we move into 2018.
- 3.4 The Council's Treasury Advisor, Capita, will be undertaking a review of its interest rate forecasts, following the increase in base rate.

4 Treasury Management Strategy Statement

4.1 Review of Annual Investment Strategy

4.1.1 The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by Resources Board on 30 January 2017. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:

- Security of Capital
- Liquidity
- Yield

4.1.2 The Council will aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate generally to keep investments short term, and only invest with highly rated financial institutions, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita.

- 4.1.3 Investment rates between April and September 2017 were relatively low, due to the high levels of uncertainty caused by the prolonged negotiations relating to the terms of the departure from the EU, and both the ‘snap’ General Election and subsequent unexpected result. This limited the Council’s ability to achieve high earnings on its investments in that period.
- 4.1.4 However, the expectation that the Bank of England will raise interest rates in November, should have a positive impact on the investment income the Council receives from any investments that are made in the last five months of the financial year.
- 4.1.5 The average level of funds available for investment purposes during the April to September period was £23.943 million. The level of funds available for investment purposes was mainly dependent on the timing of precept payments, the receipt and payments of grants and the timing of both capital and revenue expenditure. Officers can confirm that the approved limits within the Annual Investment Strategy have not been breached.
- 4.1.6 Interest gained on investments up to the end of September 2017 totalled £60,674, compared to the profiled budgetary position of £40,000. The average interest rate on investments for this period was 0.56% compared to the benchmark of the 7 day LIBOR rate of 0.24% (See Appendix A). Going forward we would expect our average interest rate on investments to increase above the current level as several of our current investments are due to mature in the current financial year, with interest rates now expected to rise.

4.2 Borrowing

- 4.2.1 The Council’s Capital Financing Requirement (CFR) for 2017/18 was estimated at £67 million. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.
- 4.2.2 The table below shows the Council’s external borrowings and the utilisation of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate.

	2017/18 Original Estimate £m	2017/18 Estimated Out-turn £m
External borrowing – Housing	52,381	52,103
Internal borrowing – General Fund	14,643	14,087
CFR (year end position)	67,024	66,190

- 4.2.3 The Council has not needed to borrow any funds on a short term basis during the year to date.

4.3 Prudential Indicators

- 4.3.1 It is a statutory duty for the Council to determine and keep under review its “Affordable Borrowing Limits”. The Council’s Authorised Borrowing Limit and Operational Boundary Limits for 2017/18 were set at £84.304 million and £67.024 million respectively. Activity has remained within these limits for the months from April to September.

5 Report Implications

5.1 Finance and Value for Money Implications

- 5.1.1 Up to 30 September 2017, interest earned on investments was £60,674. The Council has not needed to borrow during the first six months of the year, to fund any temporary shortfalls in the day to day cash flow.

- 5.1.2 Temporary internal borrowing has been possible due to the revenue and capital reserves currently being held. Once these are used, the Council will need to replace internal borrowing with external borrowing. The use of temporary internal borrowing for capital expenditure has reduced the cost of capital in the General Fund in the short term.

5.2 Environment and Sustainability Implications

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

5.3 Risk Management Implications

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

- 5.3.2 Specialist advice was taken from our Treasury Management consultants to ensure that our debt profile for HRA self financing has an appropriate balance between long and short term borrowing.

- 5.3.3 Continuous monitoring of the Council’s treasury position will allow external borrowing to be taken out to cover the loss of internal borrowing, at the appropriate time.

The Contact Officer for this report is Daniel Hogan (719337).

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

INVESTMENT OUTSTANDING

CURRENT LOANS & INVESTMENTS

30-Sep-17

Name of Borrowing Authority Investment General Account	Investment or Loan No.	Amount	% Invested	Type of Investment	Current Interest Rate	Date of Investment	Maturity Date
Lloyds	11220585LS	1,000,000.00	3.87%	Fixed	0.90	23-Jan-17	23-Jan-18
Lloyds	11635643LS	1,000,000.00	3.87%	Fixed	0.65	08-Sep-17	07-Sep-18
Lloyds	11039360LS	1,000,000.00	3.87%	Fixed	1.00	13-Oct-16	13-Oct-17
Lloyds	11471025LS	1,000,000.00	3.87%	Fixed	0.80	09-Jun-17	08-Jun-18
Lloyds	11197838LS	1,000,000.00	3.87%	Fixed	0.90	09-Jan-17	09-Jan-18
Toronto Dominion Bank	Cert of Deposit	1,000,000.00	3.87%	Fixed	0.55	14-Oct-16	13-Oct-17
Santander	10621710	1,000,000.00	3.87%	Fixed	0.70	13-Jun-17	13-Dec-17
Santander	10634040	1,000,000.00	3.87%	Fixed	0.45	27-Jul-17	29-Jan-18
Credit Industriel et Commercial	Cert of Deposit	1,500,000.00	5.80%	Fixed	0.35	02-Aug-17	02-Feb-18
Credit Industriel et Commercial	Cert of Deposit	1,500,000.00	5.80%	Fixed	0.34	17-Aug-17	16-Feb-18
Rabobank International	Cert of Deposit	1,500,000.00	5.80%	Fixed	0.37	08-Sep-17	07-Sep-18
Rabobank International	Cert of Deposit	1,500,000.00	5.80%	Fixed	0.43	14-Sep-17	13-Sep-18
National Australia Bank	Cert of Deposit	1,000,000.00	3.87%	Fixed	0.41	13-Dec-16	13-Dec-17
Santander	180 Day Call	1,000,000.00	3.87%	Call	0.55	09-Dec-16	11-Dec-17
Federated Cash Plus	0000228	3,000,000.00	11.60%	eMMF	0.44	25-Aug-16	
RLAM Cash Plus	0000057323	3,000,000.00	11.60%	eMMF	0.48	22-Jan-14	
Ignis MMF (Bank of New York Mellon) - class 2	0000554-001	3,856,000.00	14.91%	MMF	0.20		
TOTAL CURRENT GENERAL INVESTMENTS		25,856,000.00			0.56		

Agenda Item No 13

Resources Board

13 November 2017

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

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

Agenda Item No 14

Procurement of a Replacement Revenues and Benefits System – Report of the Assistant Chief Executive (Community Services)

Paragraph 3 - by reason of the report containing financial information.

Agenda Item No 15

Request to Lift Covenant in Kingsbury – Report of the Assistant Director (Housing)

Paragraph 3 - by reason of the report containing financial information.

Agenda Item No 16

Request to Purchase Land in Polesworth – Report of the Assistant Director (Housing)

Paragraph 1 - by reason of the report containing information relating to an individual.

Agenda Item No 17

Land at Birchley Heath – Report of the Assistant Director (Housing)

Paragraph 3 - by reason of the report containing financial information.

Agenda Item No 18

Review of Private Sector Housing Team – Report of the Assistant Chief Executive and Solicitor to the Council and Assistant Director (Housing)

Paragraph 1 - by reason of the report containing information relating to an individual.

Agenda Item No 19

Irrecoverable Local Taxation Debts – Report of the Assistant Chief Executive (Community Services)

Paragraph 1 – by reason of the report containing information relating to an individual.