

## **Agenda Item No 7**

### **Executive Board**

**27 November 2023**

#### **Report of the Interim Corporate Director -Resources**

#### **Financial Statements 2020/21**

### **1 Summary**

- 1.1 The Financial Statements for 2020/21 have been completed. This report highlights the position on the General Fund and Housing Revenue Account, compared with the estimated position previously reported.
- 1.2 The audit is complete apart from the review of the IAS19 Pension report. Which may lead to changes to the pension figures.

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

**That the 2020/21 financial statements be approved subject to any changes from the review of the IAS19 Pension report**

### **2 Introduction**

- 2.1 The publication of the Financial Statements is a statutory requirement, with a statutory timetable. In March 2021 new regulations came in force to extend the deadline for publishing audited local authority accounts to 30 September from 31 July for 2020/21. The deadline was also extended for the preparation of draft accounts from 31 May to 31 July.
- 2.2 Delays in the audit of the 2018/19 and 2019/20 Financial Statements impacted on the completion of the 2020/21 accounts. Consequently, it was not possible to achieve the 30 September timetable and the 2020/21 accounts were completed and published in May 22.
- 2.3 The Council's external auditors, Ernst & Young started to audit the 2020/21 Financial Statements during May 2022 and planned to complete their audit in June 23 with the aim of presenting their conclusions in the audit results report to the July 2023 Board, however this deadline was not met and the report is now presented here subject to the final work on the pensions fund.

### **3 Changes in the 2020/21 Financial Statements**

- 3.1 Local authorities are required to prepare their financial statements in line with the latest Accounting Code of Practice. There were some minor presentational changes required for the 2020/21 accounts which have been actioned. There were also 3 uncorrected misstatements relating to the Valuation of Property, Plant and Equipment and Investment Property which are detailed in the EY audit results report earlier on the agenda. These are not above the Councils

materiality limit and 2 are projected figures so will be addressed in the following year. They have no financial impact on the General Fund and HRA balances presented.

#### 4 **2020/21 Activity**

4.1 The financial statements for 2020/21 have been prepared and published. They are attached as Appendix A.

#### 4.2 **General Fund Revenue Account**

4.2.1 The original budget for the General Fund set in February 2020 anticipated a use of balances of £589,940. A revised budget was approved in February 2021, which anticipated an increased use of balances of £670,750. The main reasons for the increased use of balances were detailed in the 'General Fund Revenue Estimates 2021/22 and Setting the Council Tax 2021/22' report to Executive Board. They included: increased Refuse and Recycling costs, reductions in Leisure Centre income, Planning Fees and Investment Income. These costs were only partly offset by increases in staff vacancies and a reduction in spend on the Local Development Framework additional investment income.

4.2.2 The actual position on the General Fund at the end of the financial year was better than expected in the revised estimate, with £361,588 being used from balances. This was due to some improvement in housing benefit administration costs, lower spend of the Local development Framework and a higher level of vacancies than expected.

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

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

4.3.1 The original budget for the HRA set in February 2020 anticipated a deficit in the year of £711,030. This was revised in the budget approved in January 2021, which anticipated a deficit of £805,910. The reasons for this change were detailed in the HRA estimate report taken to Resources Board, with the main changes being lower levels of balances creating lower investment income.

4.3.2 The actual position on the HRA was not quite as good as expected in the revised budget, with an increased deficit of £1,071,918 reducing balances further from the position in the revised budget.

4.3.3 The HRA holds a separate Housing Repairs Fund. This is used to cover the costs of day-to-day repairs and maintenance, including works undertaken by Housing Direct Works (HDW) and private companies. The balance on the Fund at the end of the year amounted to £1,174,000, which is available for the coming year.

## 5 Report Implications

### 5.1 Finance and Value for Money Implications

5.1.1 The actual position reported for both the General Fund and Housing Revenue Account for 2020/21 impacts upon future years. The General Fund is better than predicted when setting the 2021/22 budget and this will assist with the significant cost pressures in the current year.

5.1.2 The starting position on the Housing Revenue Account is slightly worse than predicted when setting the 2021/22 budget, but balances are still at an appropriate level.

### 5.2 Environment and Sustainability Implications

5.2.1 The Council has remained within its overall budgets for the 2020/21 year. This will assist in allowing the Council to manage its expected shortfall in resources and minimise disruption to essential services.

### 5.3 Risk Management Implications

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

The Contact Officer for this report is Alison Turner (719374).

### Background Papers

Local Government Act 1972 Section 100D

Background Paper No	Author	Nature of Background Paper	Date
Executive Board	Sue Garner	General Fund Budget and Setting the Council Tax 2020/21	Feb 2020
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2020/21	January 2020
Executive Board	Sue Garner	General Fund Budget and Setting the Council Tax 2021/22	Feb 2021
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2021/22	January 2021

# NORTH WARWICKSHIRE BOROUGH COUNCIL

## FINANCIAL STATEMENTS 2020/21

	Page
Corporate Director – Resources’ Narrative Report to the Financial Statements	2
Statement of Responsibilities, Issue and Approval Date	11
<b><i>The Statement of Accounts: -</i></b>	
Movement in Reserves Statement	12
Comprehensive Income and Expenditure Statement	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16
<b><i>Supplementary Financial Statements: -</i></b>	
Housing Revenue Account Income and Expenditure Statement	62
Movement on the Housing Revenue Account Statement	63
Notes to the Housing Revenue Account Statements	64
The Collection Fund Income and Expenditure Statement	68
Notes to the Collection Fund	70
Statement of Accounting Policies	71
Independent Auditors’ Report	86
Glossary of Terms	87
Annual Governance Statement	90

We would welcome any comments or suggestions you have about this publication. Please contact Sue Garner, Corporate Director - Resources.

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# Corporate Director – Resources' Narrative Report

## 1. An Introduction to North Warwickshire

The Borough of North Warwickshire is a predominantly rural area, with over half of the area within the Green Belt. Towns and villages range in size from Atherstone parish with 8,670 residents to Seckington with just 59. However, its location gives North Warwickshire a strategic position on the transport network, including easy access to the M6, M42 and M6 Toll, West Coast Mainline and Birmingham and East Midlands airports. As a result, there are major logistics sites within the area.

Economic connections go in a number of directions: towards greater Birmingham, South Staffordshire, Leicestershire and Coventry, as well as within the county of Warwickshire. There isn't major unemployment within the Borough, although skills shortages in some areas have been identified.

Despite the strategic location, we have significant issues with communication and access within the Borough itself - there is an underlying issue with Broadband access and rural transport. An ageing population and financial constraints also impact on this.

### Statistics Relating to North Warwickshire

- The Borough covers **110 square miles**
- A resident population of around **65,452**, with White British the major ethnic group
- **£54 million** of business rates are collected annually (this reduced to **£42 million** in 2020/21 due to the additional business reliefs provided) - only £1.9 million of this is kept by the Council
- Council tax of **£41.9 million** is collected annually - only £4.4 million of this is kept by the Council
- We have **27** play areas and **10** sports pitches
- A recycling rate of **44.9%**
- We dealt with **838** planning applications in 2020/21
- We manage and maintain **2,599** council houses
- We issued **538** licences
- There are **71** industrial units available for small businesses
- We run **2** leisure centres and **1** swimming pool
- Refuse is collected from **28,580** domestic properties and **376** trade properties

## 2. Council Performance

North Warwickshire has 17 wards, with the Council consisting of 35 Councillors who represent those wards. Since May 2019, a Conservative administration has been in political control of the Council. The Council's agreed Vision Statement is:

*'Protecting the rurality of North Warwickshire, supporting its communities and promoting the wellbeing of residents and businesses.'*

Seven priorities for achieving that vision were agreed, with a corporate plan for 2020/21 to take those priorities forward. Whilst the coronavirus pandemic impacted on the achievement of the plan, some actions taken during the year are set out below:

### Responsible Financial & Resources Management

- Savings of £705,640 were taken out of the budget prepared for 2021/22, in line with the financial strategy
- Work on implementing cyber security measures continued
- The housing team focused on rent collection, working with tenants, reducing arrears.

### *Creating Safer Communities*

- Promoted the safeguarding of children, young people and adults
- Used mobile CCTV cameras to help monitor specific areas within the Borough.

### *Protecting Our Countryside and Heritage*

- Completed and submitted the main modifications to the Local Plan required by the Local Plan Inspector. The final report is now awaited.
- Continued to work with the Government and the County Council on transport schemes affecting the Borough. This includes work on a scheme for the A5 and potential improvements on the A446.
- Maximised the opportunities for Section 106 funding for leisure and open space.

### *Improving Leisure and Wellbeing Opportunities*

- Continued to work in partnership with other agencies to tackle health inequalities
- Continued to work with sports clubs in Atherstone and Grendon, on proposed improvements in Cole End Park and the next stage of the play area development programme.

### *Promoting Sustainable and Vibrant Communities*

- Worked in partnership with health colleagues to deliver more housing adaptations to allow residents to remain in their own homes
- Supported community projects in each ward in the Borough, using the Local Community Fund
- Operated a shielding hub during the early part of the pandemic and supported a number of community and voluntary groups across the Borough with food related schemes.

### *Supporting Employment and Business*

- Administered national business grant schemes related to the pandemic throughout the year
- Supported businesses to ensure compliance with the coronavirus regulations and to help businesses re-open safely
- Continued to progress the introduction of Civil Parking Enforcement to improve parking in our town centres.

### *Climate Change*

- Started to develop an Action Plan based on themed areas of activity. Work to reduce the Council's carbon footprint is ongoing across a number of divisions.
- Started work to monitor and improve air quality in North Warwickshire.

## **Governance Arrangements**

These are detailed in the Annual Governance Statement, which is set out at the end of the Financial Statements.

### **What's next?**

We propose over the coming year to address a number of matters to further enhance our governance arrangements. These include:

- Compliance with the Financial Management Code;
- Restarting our staff appraisal process and continuing to progress workforce planning;
- Resuming the use of internal working groups, suspended during the pandemic, where appropriate;
- The continued use of virtual meetings where appropriate and efficient;
- The provision of additional detail on risk management to Resources Board;
- A review of the revised corporate plan and performance indicators.

## Resident / Satisfaction Surveys

The Council operates a complaints and compliments process. During 2020/21, 36 complaints and 71 compliments were received. This compared to 61 complaints and 47 compliments the previous year.

### 3. Financial Performance

North Warwickshire has faced significant financial challenges for a number of years due to reductions in funding from central government, together with cost pressures within services and greater volatility in financing. In addition, the Covid-19 pandemic impacted throughout 2020/21 following the Government's national lockdown which commenced on 23 March 2020.

Additional spending has been needed to maintain key services, whilst service income has reduced significantly in areas such as leisure services. Whilst some government support has been received towards the additional costs, our financial position has worsened. It is still difficult to quantify the full impact of Covid-19 going forward.

We operate a Medium-Term Financial Strategy for General Fund services, which covers the current year and the following three years. This strategy includes a requirement to find efficiencies and savings in our base budget position year on year, to ensure that we maintain enough general reserves in case we are faced with unexpected expenditure. The effects of the pandemic will undoubtedly add to the pressures on our base budget position.

Since the Council moved to a self-financing system for its council housing stock in 2013, we have used a 30 year Business Plan to manage the Housing Revenue Account. As a minimum, the Plan is updated on an annual basis, with further revisions carried out if needed.

#### Revenue Spending in 2020/21

##### *General Fund Services*

These are all the services we provide, except for our own council housing stock, which is funded and accounted for separately. We originally planned to spend £8.673 million after allowing for expected income generated by services. The table below shows the actual spending against our plans.

	Planned Spending £000	Actual Spending £000
Community & Environment	5,451	6,788
Executive Services	731	614
Planning & Development	265	389
Licensing	48	48
Resources	2,174	391
Contingencies	4	-
<b>Total Spending</b>	<b>8,673</b>	<b>8,230</b>

We planned to fund this spending mainly through council tax, government grant and business rates.

	Expected Funding £000	Actual Funding £000
Council Tax	4,563	4,563
New Homes Bonus	738	738
Business Rates	2,422	2,422
Interest on Balances	360	145
Use of Balances	590	362
<b>Total Funding</b>	<b>8,673</b>	<b>8,230</b>

The main changes from the planned budget relate to:

- There has been an increase in Refuse and Recycling costs, due to the collection of additional waste and increased disposal costs;
- There has been a significant reduction in Leisure income due to Covid restrictions;
- There has been a significant decrease in Planning Fee income;
- Reduced staffing costs. In addition to savings arising from the normal turnover of staff, recruitment of staff has taken longer than expected in some areas. We review all vacancies as they arise and have kept some posts vacant whilst we carry out service reviews;
- There has been a significant decrease in spending on the Local Development Framework during the year; and
- A significant decrease in investment income due to lower than expected interest rates.

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

We are required to account separately for our own council housing stock, so this account shows the income and expenditure during the year on our Council housing.

Spending on services includes the day to day costs of managing and maintaining the stock. The Revenue Account also contributes to capital spending on planned refurbishment works and covers the borrowing costs of loans taken out to acquire the stock.

	Planned Spending £000	Actual Spending £000
Management Services	2,013	2,024
Repair Services	3,218	3,222
Cost of Borrowing	3,504	3,504
Capital spending on properties	3,838	4,278
Provision for Bad Debts	230	19
Income set aside in general balances for future spending	-	-
<b>Total Spending</b>	<b>12,803</b>	<b>13,047</b>

Spending on the Council's own housing stock is **not** paid for from Council Tax. It is mainly funded from the rents paid by tenants.

	Expected Funding £000	Actual Funding £000
Rents from housing, garages and shops	11,887	11,849
Service charges	110	105
Interest on Balances	95	21
Income from general balance set aside in previous years	711	1,072
<b>Total Funding</b>	<b>12,803</b>	<b>13,047</b>

The main changes from the planned budget relate to:

- An increase in the contributions to capital expenditure needed due to lower than expected receipts retained from the sale of council houses;
- Good rent collection levels have meant a lower contribution is needed to the bad debt provision;
- There has been a decrease in rental income due to a higher level of void properties and a delay in the hand-over of new build properties in Warton;  
and
- Lower interest earned on balances held by the Housing Revenue Account.

### **Revenue Reserves**

At the end of the year our total revenue reserves amounted to £28.296 million. These are shown below:

	General Fund £000	HRA £000
General balances – held for unexpected future events	2,491	3,661
Capital reserves – held for spending on assets with a lasting value	921	3,997
Earmarked reserves –held for specific purposes or activities	15,690	1,536
<b>Total</b>	<b>19,102</b>	<b>9,194</b>

### **Capital Spending**

Alongside our day-to-day costs we spend money on assets such as buildings, vehicles, equipment and computer systems. We assess capital requirements in outline terms over a ten year period each February, to ensure that we manage capital resources appropriately. As we have a shortfall of capital resources compared to assessed needs, this allows us to target resources towards the highest priorities. At the same time we produce a detailed three year programme, although the emphasis is on year one of the programme.

The 2020/21 capital programme shown below includes schemes from 2019/20 which were rolled forward due to timing issues. Actual spend in the year is also shown, together with commitments made which will be settled in 2021/22.

	Capital Programme £000	Spending in 2020/21 £000	2020/21 Commitments to Be Paid in 2021/22 £000
Council Housing – existing stock	5,833	4,577	1,135
Council Housing – new build	2,983	1,976	1,007
General Fund – Materials Recycling Facility	60	76	-
General Fund vehicles	624	643	-
General Fund - IT and equipment	659	234	31
General Fund buildings	239	52	27
General Fund play areas and recreation grounds	320	96	13
Private sector housing	919	814	-
<b>Total Spending</b>	<b>11,637</b>	<b>8,468</b>	<b>2,213</b>

Funding for capital spending that we received in the year included receipts from the sale of 'Right to Buy' council housing, sale of surplus land and contributions from some partners for specific schemes.

We used some of this to fund the spending in 2020/21. The remaining funding used in 2020/21 came from reserves earmarked for capital and revenue funding.

### **Collection Fund**

We collected business rates of £42 million from businesses within our area in 2020/21, which is kept in a separate account called the Collection Fund. Following business rate localisation introduced in 2013, the Council has to set aside a provision for future successful ratepayer appeals against rateable valuations. This is our most significant provision, amounting to £5.77 million. As at the 31 March 2021, we had 4 appeals (15 appeals 2020) outstanding from the 2010 valuation, and 187 appeals (217 appeals 2020) relating to the 2017 valuation.

As we collect business rates on behalf of the Government and Warwickshire County Council, as well as ourselves, only 40% of this provision is shown on our balance sheet.

### **Balance Sheet**

The Balance Sheet includes pension costs to meet International Financing Reporting Requirements. We show the assets and liabilities relating to retirement benefits we are responsible for as an employer, so that we show the true cost of our responsibilities. A net pension asset indicates that contributions have effectively been overpaid relative to the future benefits earned to date by our employees. A net liability shows an effective underpayment. Our fund liability has increased by £9.707 million in the year.

The pension fund is valued fully every three years. The last full valuation took place as at March 2019 and showed that the pension fund was 95% funded. Our contribution rate is staying constant for the following three years, with the long-term aim of achieving a 100% funding level. A further full valuation will take place as at March 2022 and will indicate whether the current level of increases is still suitable.

Despite the challenges faced by the Council, we are continuing to maintain a strong balance sheet:

	31 March 2020 £000	31 March 2021 £000
Non current assets	177,145	197,693
Net current assets – debtors, stock and cash less short term liabilities	15,835	17,485
Long term liabilities and provisions	(73,866)	(81,323)
<b>Net assets</b>	<b>119,114</b>	<b>133,855</b>
Represented by: Useable reserves	25,963	33,229
Represented by: Unusable reserves	93,151	100,626

Although we sold 16 properties under the Right to Buy legislation and purchased 4 properties within the New Build Scheme, there was an increase in non-current assets due to changes in the value of council dwellings.

### **Financial Challenges in 2021/22**

The Medium-Term Financial Strategy was updated during the year. The government had planned to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, with the political turbulence around Brexit, it was decided that a one-year Finance Settlement would be provided, covering the 2020/21 financial year; and that this would then be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets. The Spending Review did not progress due to the Coronavirus

pandemic and a further one-year settlement was provided for 2021/22. As indicative figures are not yet available for 2022/22, the 2021/22 level of finance settlement has been assumed for 2022/23 onwards.

Savings targets within the Strategy were also updated to reflect the expected funding and spending pressures, including the Coronavirus pandemic. The reductions needed for 2021/22 were identified before the year started and included within the approved budget, with a target of £1.5 million to be found in 2021/22 ready for inclusion within the 2022/23 budget.

The latest revision of the HRA Business Plan anticipates a surplus of £63.7 million at the end of the 30 years, after capital spending on existing properties and new build of £196 million.

The projected capital resources over the next ten years will require the Council to continue with its policy of including only currently essential General Fund schemes in its expected programme. In order to carry out other work, we will need to continue to find additional sources of funding. It may be necessary to rationalise existing properties held.

#### **4. People**

We currently employ 388 people in full time and part time contracts. The make-up of our people is shown below:

Gender: Male 47.4%, Female 52.6%

Age: 24 and under 6.2%, 25-34 13.9%, 35-49 26.0%, 50-64 46.4%, 65 and over 7.5%

In addition, we use casual staff to cover activities such as leisure coaching sessions.

#### **5. Principal Risks and Uncertainties**

A risk management strategy is in place to identify and evaluate risks. There are clearly defined steps to support better decision making through the understanding of risks, whether a positive opportunity or a threat, and the likely impact.

The Council identifies both strategic and operational risks. Strategic risks are reviewed by the Senior Management Team, whilst operational risks are identified within services. The risk management process was audited in October 2020 and identified no major concerns in relation to the Council's approach.

The top risks from our 2020/21 risk register are shown below:

*Strategic*

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Impact on the Borough of the HS2 project	Loss of open spaces and community assets, transport and property valuation issues, air and noise pollution	Member of a Local Authority group lobbying the government and seeking mitigation, as well as becoming a qualifying authority
Health impact of Coronavirus	Greater demand for /pressure on Council services	Targeted use of Community Development to maximise available resources and work with partners, such as Public Health England
The Council is unable to recruit, motivate and retain appropriately qualified staff	Service delivery would be affected	Continued good terms and conditions for staff. Use of shared working arrangements and partnerships
Expected efficiency savings and service improvements are not delivered whilst maintaining resilience	Adverse impact on service delivery	Use of a medium term financial strategy, with savings identified in advance and healthy balances maintained

*Operational*

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Reduced or no market for recyclable materials	A significant increase in the costs of the recycling service could lead to an inability to maintain the service at current levels and may impact on the provision of other services.	Ongoing discussions with local waste management companies. Latest material contracts have maximum gate fees and profit share element. Use of partnerships and joint procurement of contracts, which are regularly reviewed.
Virus' introduced into Council systems	Loss of systems, with resulting loss / reduction in the provision of services	Security / detection measures undertaken, with regular training for staff.
Increase in Council Tax Support caseload	Overspend of budget requiring drawing from reserves	Financial Inclusion measures to help people get back to work and mitigate effects of unemployment on the Borough
Inadequate Capital Strategy & monitoring of capital schemes	Inability to carry out essential capital schemes and assets kept beyond useful economic life	Prioritisation process – capital bids assessed regularly against corporate priorities/ resources. Annual review of capital strategy. Monthly monitoring of capital programme and spend with service managers.

## Explanation of Accounting Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2021. It is made up of core and supplementary statements, together with disclosure notes. The format and content of the financial statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, which in turn is underpinned by International Financial Reporting Standards.

A Glossary of key terms can be found at the end of the statements.

The **Core Statements** are:

The **Comprehensive Income and Expenditure Statement** – this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by Board, reflecting the way the Council's budgets are built up. Expenditure represents a combination of:

- Services and activities that the Council is required to carry out by law (statutory duties) such as street cleaning, planning and electoral registration; and
- Discretionary expenditure focused on local priorities and needs such as the Borough Care service or leisure activity.

The bottom half of the statements deals with corporate transactions and funding.

The **Movement in Reserves Statement** is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable' which must be set aside for specific purposes.

The **Balance Sheet** shows the value of our assets, liabilities, cash balances and reserves at the year end date. Our net assets (assets less liabilities) are matched by the reserves we hold.

The **Cash Flow Statement** shows the reasons for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long term liabilities).

The **Supplementary Financial Statements** are:

The **Notes** to these financial statements provide more detail about the Council's accounting policies and individual transactions.

The **Housing Revenue Account** which separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.

The **Collection Fund** summarises the collection of council tax and business rates, and the redistribution of the majority of that money to Warwickshire County Council, Warwickshire Police Authority and central government.

The **Annual Governance Statement** which sets out the controls we have in place to ensure we run our business effectively and legally, and can properly account for our use of public money.

**Alison Turner** CPFA

Corporate Director - Resources, North Warwickshire Borough Council

## STATEMENT OF RESPONSIBILITIES, ISSUE AND APPROVAL DATE

### The Council's Responsibilities

The Council is required to:

- 1) Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In North Warwickshire Borough Council that officer is the Corporate Director - Resources.
- 2) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- 3) Approve the Statement of Accounts.

### The Corporate Director - Resources Responsibilities

The Corporate Director - Resources is responsible for the preparation of North Warwickshire Borough Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statements of Accounts the Corporate Director - Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Corporate Director - Resources has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Issue Date

I certify that the Statement of Accounts 2020/21 give a true and fair view of the financial position of the Council at the reporting date and of its income and expenditure for the year ended 31 March 2021.

All known material events that have occurred up to and including this date, which relate to 2020/21 or before have been reflected in the accounts.

Signed:



Date: .15<sup>th</sup> November 2023

Alison Turner CPFA, Corporate Director - Resources

## North Warwickshire Borough Council Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Council analysed into "usable reserves" (those that can be applied to fund expenditure or reduce local taxation) and "unusable reserves" (unrealised gains and losses and accounting adjustments). The statement shows the true economic costs of providing services and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The Increase/Decrease line shows the statutory movements in the year following those adjustments. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the General Fund balance and the Housing Revenue Account for council tax setting and dwellings rent setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund balance and Housing Revenue Account balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked HRA Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants / Conts Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 1 April 2019</b>	<b>3,750</b>	<b>5,739</b>	<b>4,691</b>	<b>5,415</b>	<b>4,594</b>	<b>1,536</b>	<b>794</b>	<b>26,519</b>	<b>77,393</b>	<b>103,912</b>
<u>Movement in reserves during 2019/20</u>										
Total Comprehensive Income and Expenditure	8,679	-	2,338	-	-	-	-	11,017	4,185	15,202
Adjustments between accounting basis and funding basis under regulations (note 5)	(7,463)	-	(1,671)	-	580	-	-	(8,554)	8,554	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>1,216</b>	<b>-</b>	<b>667</b>	<b>-</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>2,463</b>	<b>12,739</b>	<b>15,202</b>
Transfers to/from Earmarked Reserves (note 6)	(2,113)	1,256	(625)	(1,335)	-	-	(202)	(3,019)	3,019	-
<b>Increase/(Decrease) in 2019/20</b>	<b>(897)</b>	<b>1,256</b>	<b>42</b>	<b>(1,335)</b>	<b>580</b>	<b>-</b>	<b>(202)</b>	<b>(556)</b>	<b>15,758</b>	<b>15,202</b>
<b>Balance at 31 March 2020 carried forward</b>	<b>2,853</b>	<b>6,995</b>	<b>4,733</b>	<b>4,080</b>	<b>5,174</b>	<b>1,536</b>	<b>592</b>	<b>25,963</b>	<b>93,151</b>	<b>119,114</b>
<b>Balance at 1 April 2020</b>	<b>2,853</b>	<b>6,995</b>	<b>4,733</b>	<b>4,080</b>	<b>5,174</b>	<b>1,536</b>	<b>592</b>	<b>25,963</b>	<b>93,151</b>	<b>119,114</b>
<u>Movement in reserves during 2020/21</u>										
Total Comprehensive Income and Expenditure	(5,094)	-	8,203	-	-	-	-	3,109	11,632	14,741
Adjustments between accounting basis and funding basis under regulations (note 5)	15,736	-	(7,030)	-	(1,453)	-	-	7,253	(7,253)	-
<b>Net Increase/Decrease before Transfers to Earmarked Reserves</b>	<b>10,642</b>	<b>-</b>	<b>1,173</b>	<b>-</b>	<b>(1,453)</b>	<b>-</b>	<b>-</b>	<b>10,362</b>	<b>4,379</b>	<b>14,741</b>
Transfers to/from Earmarked Reserves (note 6)	(11,004)	9,615	(2,245)	(83)	177	-	444	(3,096)	3,096	-
<b>(Decrease)/ Increase in Year</b>	<b>(362)</b>	<b>9,615</b>	<b>(1,072)</b>	<b>(83)</b>	<b>(1,276)</b>	<b>-</b>	<b>444</b>	<b>7,266</b>	<b>7,475</b>	<b>14,741</b>
<b>Balance at 31 March 2021 carried forward</b>	<b>2,491</b>	<b>16,610</b>	<b>3,661</b>	<b>3,997</b>	<b>3,898</b>	<b>1,536</b>	<b>1,036</b>	<b>33,229</b>	<b>100,626</b>	<b>133,855</b>

# North Warwickshire Borough Council

## Comprehensive Income and Expenditure Statement for the Year Ended 31 March 2021

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation and rents. Councils raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Movement in Reserves Statement and the Expenditure and Funding Analysis (note 27).

2019/20	2019/20	2019/20		2020/21	2020/21	2020/21
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
831	(47)	784	Executive Board	665	(6)	659
9,965	(3,582)	6,383	Community and Environment Board	10,516	(3,020)	7,496
1,339	(982)	357	Planning and Development Board	1,333	(993)	340
123	(114)	9	Licensing Committee	142	(87)	55
17,346	(14,543)	2,803	Resources Board – Services	21,948	(22,210)	(262)
589	(670)	(81)	Resources Board – Recharged Services	417	(934)	(517)
12,214	(12,610)	(396)	Resources Board – Housing Revenue Account	13,416	(14,288)	(872)
<b>42,407</b>	<b>(32,548)</b>	<b>9,859</b>	<b>COST OF SERVICES</b>	<b>48,437</b>	<b>(41,538)</b>	<b>6,899</b>
1,341	(430)	911	Other Operating expenditure (Note 7)	1,395	(166)	1,229
2,806	(3,126)	(320)	Financing and investment income and expenditure (Note 8)	1,611	(2,280)	(669)
2,610	(12,823)	(10,213)	Taxation and non-specific grant income (Note 9)	10,223	(21,774)	(11,551)
<b>49,164</b>	<b>(48,927)</b>	<b>237</b>	<b>Deficit /(Surplus) on Provision of Services</b>	<b>61,666</b>	<b>(65,758)</b>	<b>(4,092)</b>
13	(1,090)	(1,077)	Surplus or Deficit on revaluation of Property, Plant and Equipment (note 10)	-	(7,198)	(7,198)
-	-	-	Surplus or Deficit on revaluation of Available for Sale Financial Assets (Note 14 and 23)	-	-	-
14	-	14	Surplus or Deficit on financial assets measured at fair value through other comprehensive income (Note 14 and 23)	-	(53)	(53)
-	(10,191)	(10,191)	Remeasurement of the net defined benefit pension liabilities/ (assets) (Note 39)	8,234	-	8,234
<b>27</b>	<b>(11,281)</b>	<b>(11,254)</b>	<b>Other Comprehensive Income and Expenditure</b>	<b>8,234</b>	<b>(7,251)</b>	<b>983</b>
<b>49,191</b>	<b>(60,208)</b>	<b>(11,017)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>69,900</b>	<b>(73,009)</b>	<b>(3,109)</b>

# North Warwickshire Borough Council

## Balance Sheet as at 31 March 2021

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (*assets less liabilities*) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2020 £000		Note	31 March 2021 £000
168,526	Property, Plant and Equipment	10	188,331
851	Heritage Assets	11	829
7,510	Investment Property	12	8,314
258	Intangible Assets	13	219
-	Long Term Debtors	14	-
<b>177,145</b>	<b>LONG TERM ASSETS</b>		<b>197,693</b>
27,093	Short Term Investments	14/40	16,515
-	Assets held for Sale	19	-
56	Inventories	15	48
2,475	Short Term Debtors	14/17	5,044
7,046	Cash and Cash Equivalents	18	14,939
<b>36,670</b>	<b>CURRENT ASSETS</b>		<b>36,546</b>
(1,580)	Provisions	21	(2,310)
(2,000)	Short term PWLB Loans	40	(2,250)
(17,255)	Short Term Creditors	14/20	(14,501)
<b>(20,835)</b>	<b>CURRENT LIABILITIES</b>		<b>(19,061)</b>
(46,489)	Long Term PWLB Loans	40	(44,239)
(27,377)	Pension Fund Liabilities	39	(37,084)
<b>(73,866)</b>	<b>LONG TERM LIABILITIES</b>		<b>(81,323)</b>
<b>119,114</b>	<b>NET ASSETS</b>		<b>133,855</b>
25,963	Usable Reserves	22	33,229
93,151	Unusable Reserves	23	100,626
<b>119,114</b>	<b>TOTAL RESERVES</b>		<b>133,855</b>

Signed



Date 15<sup>th</sup> November 2023

Alison Turner CPFA, Corporate Director - Resources

## North Warwickshire Borough Council

### Cash Flow Statement for the Year Ended 31 March 2021

The cash flow statement shows the changes in cash and cash equivalents of the council during the reporting year. The statement shows how the council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the council are funded by way of taxation and grant income or from the recipients of services provided by the council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the council.

2019/20 £000		2020/21 £000
237	Net deficit or (surplus) on the provision of services	(4,092)
(2,114)	Adjustments to net surplus or deficit on the provision of services for non cash movements (Note 24)	5,187
108	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities (Note 24)	(155)
(1,769)	Net cash flows from Operating Activities	940
2,612	Investing Activities (Note 25)	3,745
(1,256)	Financing Activities (Note 26)	(12,578)
(413)	Net Increase or decrease in cash and cash equivalents	(7,893)
(6,633)	Cash and Cash Equivalents at the beginning of the reporting year	(7,046)
<b>(7,046)</b>	<b>Cash and Cash Equivalents at the end of the reporting year (Note 18)</b>	<b>(14,939)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new or amended standard that has been issued but not yet adopted. The following new or amended accounting standards, which are relevant for 2020/21, are as follows:

- Definition of a Business: Amendments to IFRS 3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7;
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16.

It is not expected that any of the amendments will have a material impact on the Council's financial statements.

### 2. Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in pages 71 - 85, we have had to make certain judgements about complex transactions or those involving uncertainty about future events.

There is a high degree of uncertainty about future levels of funding for local government. However, we have a medium term financial strategy in place which should allow us to manage any future reductions in service that may be needed. As a result, we have determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

The Council faces significant cost pressures including inflation, increasing demand for services and new burdens. These cost pressures have been exacerbated by the Covid-19 pandemic, both in the Council's response to the crisis and the fall in income as a result of the economic situation. The Council has a control environment that will help to manage risks inherent in its budgets for future years, including a robust approach to financial planning and regular reporting to members and senior officers.

The ongoing impact of Covid 19 on income such as car parking and leisure use will continue to be monitored closely and if required the budgets will be adjusted to reflect any permanent changes in demand.

The Mid Term Financial Strategy considers all risks to the financial stability of the Council over the medium term and the Covid pandemic and on-going implications will form part of the risk assessment to determine any ongoing financial implications.

The Covid 19 pandemic has seen a number of financial impacts on the Council which could continue to impact in future years. This includes an increase in council tax, NNDR and rent arrears as the government suspended all court actions for recovery of debts and this takes time to mobilise again. However, this is considered only to be a timing issues as the debts will ultimately be collectable when court action resumes, the situation will need to be monitored and resources directed to recovery if required to ensure the impact is minimised.

During 2020/21 the Council received significant amounts of grant funding. A proportion was to support the Council in its obligations in providing services and were passed through the

Comprehensive Income and Expenditure Statement (CIES). The remaining proportion was to provide support to businesses during the Covid-19 lockdown and recovery periods. In relation to this second proportion, the mechanism of transferring these Government grants across to businesses led to the judgement that the Council was acting as agent for the Government and, as a result, those payments have not been presented through the CIES. Any residual sums, due to be refunded back to the Government have been posted to the Balance Sheet as at 31 March 2021. Details of the material grants are shown in the relevant notes to the accounts.

### 3. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by us about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial years are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of capital spending that will be incurred in relation to individual assets. Any unanticipated spending on assets will put a strain on the remaining capital resources available which may bring into doubt the useful lives assigned to other assets.	<p>If the useful life of assets is reduced depreciation increases and the carrying amount of the asset falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by around £83,161.80 for every year that useful lives had to be reduced.</p>
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement age, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.	<p>The effect on the net pension liability of changes in individual assumptions can be measured. For instance, a 1% decrease in the discount rate assumption would result in an increase in the pension liability of £22.440 million. A 1% increase in the salary increase would result in an increase in the pension liability of £2.190 million and a 1% increase in the Pension (CPI) increase would result in an increase in the pension liability of £19.990 million.</p> <p>However, the assumptions interact in complex ways. During 2020/21, the Council's actuaries advised that the net pension's liability had increased by £25.584 million attributable to updating the assumptions.</p>

Provisions – NDR Appeals	Local Authorities are liable for successful appeals against business rates charged to businesses in 2020/21 and earlier financial years in their proportionate share. Therefore, a provision has been made of the amount that businesses could have been overcharged up to 31 March 2021. The estimate for both 2010 and 2017 valuation appeals has been calculated using the latest Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals up to and including 31 March 2021. The Council's share of the balance of business rate appeals provisions at this date amounted to £2.310m this has increased by £0.730m from the previous year.	If successful appeals increased by 10%, this would require an additional £577,476 This Council's share would be £230,990 to be set aside as a provision.
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Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Arrears	<p>At 31 March 2021, we had a balance of sundry debtors of £345,781, whilst our share of council tax and NDR arrears amounted to £1,878,227.</p> <p>A review of significant balances, using a sliding scale based on age, suggested that the following impairments of doubtful debts were appropriate:</p> <ul style="list-style-type: none"> <li>- sundry debtors 11.74% (£40,603)</li> <li>- council tax 24.29% (£114,554)</li> <li>- NDR 22.88% (£321,834).</li> </ul> <p>However, in the current economic climate it is not certain that such an allowance would be sufficient.</p>	If collection rates were to deteriorate, a doubling of the doubtful debts would require an additional £476,991 to be set aside as an allowance.

#### 4. Material Items of Income and Expense

In overall terms the Council's housing stock increased in value during the year. Revaluation gains of £7.202 million went to the Housing Revenue Account. There were also some small gains on other properties across the Borough, of £2.03 million.

##### 4a. Events After the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Final Statement of Accounts is authorised for issue in May 2022. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Financial Statements are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Financial Statements are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of final authorisation for issue in May 2022 are not reflected in the Financial Statements or notes.

## **5. Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments that we have made to the total comprehensive income and expenditure which are recognised in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to us to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

### **General Fund Balance**

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. However, the balance is not available to be applied to funding HRA services.

### **Housing Revenue Account Balance**

The Housing Revenue Account balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

### **Capital Receipts Reserve**

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

### **Major Repairs Reserve**

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the MRA that has yet to be applied at the year end.

### **Capital Grants Unapplied**

The Capital Grants Unapplied Reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2020/21	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
<b>Adjustments to Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
• Pension costs (transferred to (or from) the Pensions Reserve)	(9,510)	(197)	-	-	-	9,707
• Council tax and NDR (transfers to or from the Collection Fund Adjustment Account)	(5,785)	-	-	-	-	5,785
• Holiday pay (transferred to the Accumulated Absences Account)	(25)	(20)	-	-	-	45
• Financial Instruments (transferred to the Financial Instruments Revaluation Reserve)	53	-	-	-	-	(53)
• Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(577)	5,976	-	-	-	(5,399)
<b>Total Adjustments to Revenue Resources</b>	<b>(15,844)</b>	<b>5,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,085</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	37	1,278	(1,278)	-	-	(37)
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	(7)	7	-	-	-
Payments to the government housing receipts pool (funded by a contribution from the Capital Receipts Reserve)	(321)	-	321	-	-	-
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-	-	(2,952)	-	2,952
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	392	-	-	-	-	(392)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	-	-	-	-	-	-
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>108</b>	<b>1,271</b>	<b>(950)</b>	<b>(2,952)</b>	<b>-</b>	<b>2,523</b>
<b>Adjustments to Capital Resources</b>						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	2,403	-	-	(2,403)
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	2,952	-	(2,952)
Application of capital grants to finance capital expenditure	-	-	-	-	-	-
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>-</b>	<b>2,403</b>	<b>2,952</b>	<b>-</b>	<b>(5,355)</b>
<b>Total Adjustments</b>	<b>(15,736)</b>	<b>7,030</b>	<b>1,453</b>	<b>-</b>	<b>-</b>	<b>7,253</b>

2019/20	Usable Reserves					Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	£000
<b>Adjustments to Revenue Resources</b>						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
• Pension costs (transferred to (or from) the Pensions Reserve)	8,667	(199)	-	-	-	(8,468)
• Council tax and NDR (transfers to or from the collection Fund)	312	-	-	-	-	(312)
• Holiday pay (transferred to the Accumulated Absences Account)	(50)	(8)	-	-	-	58
• Financial Instruments (transferred to the Available for sale Financial Instruments)	(14)	-	-	-	-	14
• Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(1,653)	(163)	-	-	-	1,816
<b>Total Adjustments to Revenue Resources</b>	<b>7,262</b>	<b>(370)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,892)</b>
<b>Adjustments between Revenue and Capital Resources</b>						
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	-	2,051	(2,051)	-	-	-
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-	(10)	10	-	-	-
Payments to the government housing receipts pool (funded by a contribution from the Capital Receipts Reserve)	(322)	-	322	-	-	-
Posting of HRA resources from revenue to the Major Repairs Reserve	-	-	-	(2,853)	-	2,853
Statutory Provision for the repayment of debt (transfer from the Capital Adjustment Account)	404	-	-	-	-	(404)
Capital expenditure financed from revenue balances (transfer to the -Capital Adjustment Account)	119	-	-	-	-	(119)
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>201</b>	<b>2,041</b>	<b>(1,719)</b>	<b>(2,853)</b>	<b>-</b>	<b>2,330</b>
<b>Adjustments to Capital Resources</b>						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	1,139	-	-	(1,139)
Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	2,853	-	(2,853)
Application of capital grants to finance capital expenditure	-	-	-	-	-	-
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>-</b>	<b>1,139</b>	<b>2,853</b>	<b>-</b>	<b>(3,992)</b>
<b>Total Adjustments</b>	<b>7,463</b>	<b>1,671</b>	<b>(580)</b>	<b>-</b>	24 of 180	<b>(8,554)</b>

## 6. Movement in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2020/21.

	Balance at 1 April 2019	Transfers Out 2019/20	Transfers in 2019/1920	Balance at 31 March 2020	Transfers Out 2020/21	Transfers in 2020/21	Balance at 31 March 2021
	£000	£000	£000	£000	£000	£000	£000
<b>General Fund</b>							
External funding received towards the provision of council services	1,287	191	254	1,350	339	834	1,845
One off funding set aside to progress specific council priorities	134	32	3	105	9	9	105
Contingency funding set aside to cover potential risks on areas such as VAT recovery and business rates	1,512	620	2,075	2,967	763	9,892	12,096
Other reserves held for revenue purposes to cover timing issues on spending	1,469	288	217	1,398	343	588	1,643
Reserves Held for Capital Spending	1,337	959	797	1,175	277	23	921
<b>Total General Fund Reserves</b>	<b>5,739</b>	<b>2,090</b>	<b>3,346</b>	<b>6,995</b>	<b>1,731</b>	<b>11,346</b>	<b>16,610</b>
<b>HRA</b>							
Housing Repairs Reserve	840	3,174	3,201	867	3,031	3,338	1,174
Reserves held for Capital spending	4,575	6,251	4,889	3,213	5,092	4,701	2,822
<b>Total HRA Reserves</b>	<b>5,415</b>	<b>9,425</b>	<b>8,090</b>	<b>4,080</b>	<b>8,123</b>	<b>8,039</b>	<b>3,996</b>
<b>Total Earmarked Reserves</b>	<b>11,154</b>	<b>11,515</b>	<b>11,436</b>	<b>11,075</b>	<b>9,854</b>	<b>19,385</b>	<b>20,606</b>

## 7. Other Operating Expenditure

2019/20		2020/21
£000		£000
1,019	Parish council precepts	1,074
322	Payments to the Government Housing Capital Receipts Pool	321
(430)	(Gains)/Losses on the disposal of non-current assets	(166)
<b>911</b>	<b>Total</b>	<b>1,229</b>

## 8. Financing and Investment Income and Expenditure

2019/20		2020/21
£000		£000
115	Interest payable and similar charges	25
863	Pensions interest and expected return on pension assets	639
(354)	Interest receivable and similar income	(145)
(944)	Income and expenditure in relation to investment properties and changes in their fair value	(1,188)
<b>(320)</b>	<b>Total</b>	<b>(669)</b>

## 9. Taxation and Non-specific Grant Income and Expenditure

2019/20		2020/21
£000		£000
(5,424)	Council tax income **	(5,523)
(2,898)	Non-Domestic rates – Collection Fund adjustments ***	(4,106)
(1,891)	Non-Domestic rates	(1,922)
-	Non-ring fenced government grants *	-
<b>(10,213)</b>	<b>Total</b>	<b>(11,551)</b>

\* Non-ring fenced government grants are shown individually in note 33.

\*\* Council Tax income includes £97,570 contribution from the collection fund in 2020/21 (a contribution of £93,200 was included in 2019/20). The Council's share of the residual balance of £113,972 is detailed in note 23 on the collection fund adjustment account. This will be adjusted in 2021/22 (£4,099 adjustment in 2020/21).

\*\*\* This covers all of the movements on NDR transactions required to leave North Warwickshire Borough Council's share of business rates.

## 10. Property, Plant and Equipment

Movements in balances in 2020/21:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Community Assets	Assets under Construction	Surplus Assets	Total Property Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2020	148,034	17,792	6,481	87	137	655	63	173,249
Additions	4,867	85	1,132	-	16	1,495	-	7,595
Donations	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	8,137	(417)	-	-	-	-	-	7,720
Revaluation increases/ (decreases) recognised in the Surplus / Deficit on the Provision of Services	5,972	448	-	-	-	-	3	6,423
De-recognition – disposals	(1,149)	-	(741)	-	-	-	-	(1,890)
Other movements in Cost or Valuation	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>165,861</b>	<b>17,908</b>	<b>6,872</b>	<b>87</b>	<b>153</b>	<b>2,150</b>	<b>66</b>	<b>193,097</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 1 April 2020	(252)	(64)	(4,364)	(27)	-	(16)	-	(4,723)
Depreciation charge	(2,856)	(1,156)	(713)	(3)	(1)	-	-	(4,729)
Depreciation written out on revaluations recognised in the Revaluation Reserve	2,805	1,132	-	-	-	-	-	3,937
Impairment loss / (reversal) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment loss/ (reversal) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
De-recognition – disposals	13	-	-	-	-	-	-	13
Other movements in Depreciation and Impairment	-	-	736	-	-	-	-	736
<b>At 31 March 2021</b>	<b>(290)</b>	<b>(88)</b>	<b>(4,341)</b>	<b>(30)</b>	<b>(1)</b>	<b>(16)</b>	<b>-</b>	<b>(4,766)</b>
<b>Net Book Value</b>								
<b>At 31 March 2021</b>	<b>165,571</b>	<b>17,820</b>	<b>2,531</b>	<b>57</b>	<b>152</b>	<b>2,134</b>	<b>66</b>	<b>188,331</b>
<b>At 31 March 2020</b>	<b>147,782</b>	<b>17,728</b>	<b>2,117</b>	<b>60</b>	<b>137</b>	<b>639</b>	<b>63</b>	<b>168,526</b>

Comparative movements in balances in 2019/20:

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Community Assets	Assets under Construction	Surplus Assets	Total Property Plant and Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>								
As at 1 April 2019	144,670	17,618	6,141	88	137	14	66	168,734
Additions	5,333	57	340	-	-	641	-	6,371
Donations	-	-	-	-	-	-	-	-
Revaluation increases/ (decreases) recognised in the Revaluation Reserve	86	135	-	-	-	-	-	221
Revaluation increases/ (decreases) recognised in the Surplus / Deficit on the Provision of Services	(552)	(18)	-	-	-	-	(3)	(573)
De-recognition – disposals	(1,503)	-	-	-	-	-	-	(1,503)
Other movements in Cost or Valuation	-	-	-	-	-	-	-	-
<b>As at 31 March 2020</b>	<b>148,034</b>	<b>17,792</b>	<b>6,481</b>	<b>88</b>	<b>137</b>	<b>655</b>	<b>63</b>	<b>173,250</b>
<b>Accumulated Depreciation and Impairment</b>								
As at 1 April 2019	(736)	(137)	(3,633)	(25)	-	-	-	(4,532)
Depreciation charge	(2,756)	(913)	(731)	(3)	-	(16)	-	(4,418)
Depreciation written out on revaluations recognised in the Revaluation Reserve	3,220	986	-	-	-	-	-	4,206
Impairment loss / (reversal) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-
Impairment loss / (reversal) recognised in the Surplus / Deficit on the Provision of Services	-	-	-	-	-	-	-	-
De-recognition – disposals	20	-	-	-	-	-	-	20
Other movements in Depreciation and Impairment	-	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>(252)</b>	<b>(64)</b>	<b>(4,364)</b>	<b>(28)</b>	<b>-</b>	<b>(16)</b>	<b>-</b>	<b>(4,724)</b>
<b>Net Book Value</b>								
<b>At 31 March 2020</b>	<b>147,782</b>	<b>17,728</b>	<b>2,117</b>	<b>60</b>	<b>137</b>	<b>639</b>	<b>63</b>	<b>168,526</b>
<b>At 31 March 2019</b>	<b>143,934</b>	<b>17,481</b>	<b>2,508</b>	<b>63</b>	<b>137</b>	<b>14</b>	<b>66</b>	<b>164,203</b>

## Depreciation

The following useful lives have been used in the calculation of depreciation:

<b>Building</b>	<b>Assumed Life (Years)</b>
Council Dwellings	40 - 50
<b>Other Land and Other Buildings:-</b>	
Leisure Centres	5 – 50
Other arts/leisure venues	2
Community Centres	1 - 50
Pavilions	10 – 43
Hostels	50
Shops	3 – 50
Public Conveniences	20
Offices and Depot	20 – 50
Garages	3 - 20
<b>Vehicles, Plant, Furniture and Equipment :-</b>	
Vehicles	3 - 20
<b>Infrastructure Assets :-</b>	
Infrastructure	50

## Capital Commitments

At 31 March 2021 the capital commitments outstanding totalled approximately £2.213m. The major commitments were:

- £1.007m for the new build housing programme,
- £0.288m for a heating programme,
- £0.267m for a roofing programme
- £0.214m for a windows and doors programme,
- £0.183m for an energy saving programme and
- £0.143m for a kitchens and bathrooms programme.

## Effect of changes in Estimates

We have not changed any of the depreciation methods used in valuing our assets. However, the estimated useful lives of a number of assets have been reassessed and amended in 2020/21. The financial effect of any changes is detailed in the table below.

<b>Asset Description</b>	<b>Original End Date</b>	<b>Revised End Date</b>	<b>Financial effect on Depreciation Charges £000</b>
Council House Dwellings	31/03/2069	31/03/2070	(48)
Garages	31/03/2039	31/03/2040	(5)
<b>Total</b>			<b>(53)</b>

## Revaluations

We carry out a rolling programme that ensures all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations were carried out by the Council's valuers; Bridgehouse and Howkins and Harrison, who are RICS Registered Valuers. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The valuation methods used for each type of asset category are detailed in note 16 of the Accounting Policies section (Property, Plant and Equipment).

The significant assumptions applied in estimating the current values are:

- An adjustment factor of 40% to discount the market valuation of council houses to reflect their use for social housing;
- Valuations on properties have been split between the element relating to the land as well as the building. The building is depreciated over the useful economic life of the asset whilst land is not depreciated.

The following table shows the revaluation of property, plant and equipment over the last 5 years.

	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and Equipment	Infra-structure Assets	Community Assets	Assets under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost	-	-	6,872	87	153	2,150	66	9,328
	Valued at current value as at:							
31 March 2021	165,861	17,908	-	-	-	-	-	183,769
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	-	-	-	-	-	-	-	-
31 March 2018	-	-	-	-	-	-	-	-
31 March 2017	-	-	-	-	-	-	-	-
<b>Total Cost or Valuation</b>	<b>165,861</b>	<b>17,908</b>	<b>6,872</b>	<b>87</b>	<b>153</b>	<b>2,150</b>	<b>66</b>	<b>193,097</b>

## 11. Heritage Assets

Our heritage assets are the civic regalia we hold, which consist of a number of items of gold used ceremonially by the Mayor and Consort, plus deputies. Two of these items relate to the chains of office for Atherstone Rural District Council, the predecessor of North Warwickshire Borough Council. The value of the assets is shown below.

2019/20 £000	Civic Regalia	2020/21 £000
	Cost or Valuation	
<b>664</b>	<b>Balance as at 1 April</b>	<b>851</b>
187	Revaluations	(22)
<b>851</b>	<b>Balance as at 31 March</b>	<b>829</b>

## Five-Year Summary of Transactions

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Civic Regalia	666	631	664	851	829

## 12. Investment Property

If we hold assets for the purpose of providing public services, then the assets are classed as property assets. However, if we hold assets with the purpose of generating revenue income, which can be used to offset the costs of other services, then these are shown as Investment Property.

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2019/20 £'000		2020/21 £'000
(542)	Rental income from investment property	(549)
178	Direct operating expenses arising from investment property	165
(580)	Change in fair value of investment property	(804)
<b>(944)</b>	<b>Net gain</b>	<b>(1,188)</b>

There are no restrictions on our ability to realise the value inherent in our investment property or on our right to the remittance of income and the proceeds of disposal. We have no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

2019/20 £'000		2020/21 £'000
<b>7,050</b>	<b>Balance at start of the year</b>	<b>7,510</b>
8	Expenditure during the year	-
(128)	Disposals	-
580	Net gains/(losses) from fair value adjustment in the Consolidated Income and Expenditure Statement	804
<b>7,510</b>	<b>Balance at the end of the year</b>	<b>8,314</b>

### Fair Value Hierarchy

Inputs to the valuation techniques in respect of fair value measurement in the Council's Financial Statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2021 and 2020 are as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2021 £000
Residential properties	-	196	-	196
Commercial units	-	6,272	-	6,272
Shops and Restaurants	-	1,190	-	1,190
Land	-	656	-	656
<b>Total</b>	-	<b>8,314</b>	-	<b>8,314</b>

## 2020 Comparative Figures

Recurring fair value measurements using:	Quoted prices in active markets for identical assets (Level 1) £000	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31 March 2020 £000
Residential properties	-	197	-	197
Commercial units	-	5,494	-	5,494
Shops and Restaurants	-	1,161	-	1,161
Land	-	658	-	658
<b>Total</b>	-	<b>7,510</b>	-	<b>7,510</b>

### Valuation Techniques Used to Determine Level 2 Fair Values for Investment Property

The fair value of investment property has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being classified as level 2 on the fair value hierarchy.

There has been no change in the valuation techniques used during the year for investment properties.

### Highest and Best Use

In estimating the fair value of the Council's investment properties, the highest and best use is their current use.

### 13. Intangible Assets

We account for software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of property, plant and equipment. Our intangible assets relate to software licences. All software is given a finite, useful life, based on assessments of the period that the software is expected to be of use to the Council.

These assets have been amortised on a straight-line basis over their anticipated lives, the same method used for writing down our intangible assets in previous years. The amortisation of £73,037 charged to revenue in 2020/21 was charged to the Information Services cost centre and then absorbed as an overhead across the relevant service headings in the Net Expenditure of Services. The Housing Rents, Housing Direct Works and IBS systems which relate to housing were attributed directly to the Housing Revenue Account. The planning system was apportioned to the Planning and Development Service. Corporate systems such as the Total finance system and Microsoft Licences are recharged across all services.

We have not changed any of the depreciation methods or estimated useful lives used in valuing our assets. The movement on Intangible Asset balances during the year is as follows:

	2019/20	2020/21
	Software Licences £000	Software Licences £000
<i>Balance at start of year</i>		
Gross carrying amounts	1,878	1,938
Accumulated amortisation	(1,602)	(1,680)
<b>Net carrying amount at start of year</b>	<b>276</b>	<b>258</b>
<i>Additions:</i>		
Expenditure in the year	60	34
Amortisation for the year	(78)	(73)
Net Disposals in the year	-	-
<b>Net carrying amount at end of year</b>	<b>258</b>	<b>219</b>
<i>Comprising:</i>		
▪ Gross carrying amounts	1,938	1,972
▪ Accumulated amortisation	(1,680)	(1,753)
<b>Net carrying amount at end of year</b>	<b>258</b>	<b>219</b>

The software licences are held for a number of systems of varying sizes. Only the main ones are detailed below:-

- Payment Management System (PMS). This was purchased during 2012/13 costing £83,772 with an upgrade costing £17,491 in 2018/19 and is being amortised over a period of 10 years,
- Gladstone Leisure System. The software cost £40,838 in 2014/15 and 2015/16. The cost is being amortised over 7 years until 2021/22,
- Windows Server Licences. The software licences cost £10,421 in 2017/18 and is being amortised over a 5 year life until 2022/23.
- Civica System. The software cost £140,284 in 2018/19 and is being amortised over a 10 year life until 2028/29.

## 14. Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

- **Financial Assets**

As at 31 March 2021	Non-Current		Current			Total
	Investments	Debtors	Investments	Cash	Debtors	
	31 March 2021 £000					
<b>Amortised Cost</b>						
Loans and Receivables	-	-	7,511	-	-	7,511
Cash and Cash Equivalents	-	-	-	14,939	-	14,939
Debtors	-	-	-	-	4,667	4,667
<b>Fair Value through Profit and Loss</b>						
Certificates of Deposit	-	-	3,004	-	-	3,004
Ultra Short Dated Bond Funds	-	-	6,000	-	-	6,000
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>16,515</b>	<b>14,939</b>	<b>4,667</b>	<b>36,121</b>

As at 31 March 2020	Non-Current		Current			Total
	Investments	Debtors	Investments	Cash	Debtors	
	31 March 2020 £000					
<b>Amortised Cost</b>						
Loans and Receivables	-	-	7,548	-	-	7,548
Cash and Cash Equivalents	-	-	-	7,046	-	7,046
Debtors	-	-	-	-	2,072	2,072
<b>Fair Value through Profit and Loss</b>						
Certificates of Deposit	-	-	13,545	-	-	13,545
Ultra Short Dated Bond Funds	-	-	6,000	-	-	6,000
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>27,093</b>	<b>7,046</b>	<b>2,072</b>	<b>36,211</b>

- **Financial Liabilities**

As at 31 March 2021	Non-Current		Current		Total
	Borrowing (PWLB)	Creditors	Borrowing (PWLB)	Creditors	
	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000	
Amortised Cost	46,489	-	-	14,501	60,990
<b>Total Financial Liabilities</b>	<b>46,489</b>	<b>-</b>	<b>-</b>	<b>14,501</b>	<b>60,990</b>

As at 31 March 2020	Non-Current		Current		Total
	Borrowing (PWLB)	Creditors	Borrowing (PWLB)	Creditors	
	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000	
Amortised Cost	48,489	-	-	17,255	65,744
<b>Total Financial Liabilities</b>	<b>48,489</b>	<b>-</b>	<b>-</b>	<b>17,255</b>	<b>65,744</b>

34 of 180

## Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statements in relation to financial instruments are made up as follows:

<b>Financial Instruments</b>	(Surplus) or Deficit on the Provision of Services 2019/20 £000	Other Comprehensive Income 2019/20 £000	(Surplus) or Deficit on the Provision of Services 2020/21 £000	Other Comprehensive Income 2020/21 £000
Financial Assets Measured at Fair Value Through Profit or Loss	-	14	-	(52)
<b>Total net (gains)/losses</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>(52)</b>
Financial Assets Measured at Amortised Cost	354	-	-	-
<b>Total interest revenue</b>	<b>354</b>	<b>-</b>	<b>-</b>	<b>-</b>
PWLB Loan interest expense	1,539	-	1,504	-
<b>Total fee expense</b>	<b>1,539</b>	<b>-</b>	<b>1,504</b>	<b>-</b>

## Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Financial liabilities and financial assets, represented by borrowing and investments, are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Early redemption rates for loans from the PWLB as at 31 March 2021,
- No early repayment or impairment is recognised in the accounts.

The fair values are calculated as follows:

31 March 2020	31 March 2020		31 March 2021	31 March 2021
Carrying Amount on Balance Sheet £000	Fair Value Calculation £000		Carrying Amount on Balance Sheet £000	Fair Value Calculation £000
48,489	52,641	PWLB Debt	46,489	52,661
<b>48,489</b>	<b>52,641</b>	<b>Total Borrowings</b>	<b>46,489</b>	<b>52,661</b>
7,548	7,548	Money Market Funds < 1 year	4,011	4,011
<b>7,548</b>	<b>7,548</b>	<b>Total Investments</b>	<b>4,011</b>	<b>4,011</b>

*Borrowings:* the fair value is more than the carrying amount because the Council's loans are fixed at a higher rate than was available at 31 March 2021. This shows a notional loss (based on economic conditions at 31 March 2021) arising from a commitment to pay interest to the PWLB above current market rates.

*Investments:* The fair value is the carrying amount, as the authority's investments are all less than one year to maturity.

➤ Loans below Market Rates

During 2020/21 the Council granted Decent Homes Standard loans to 3 private owner occupiers totalling £8,442 and granted Disabled Facilities loans to 2 private owner occupiers totalling £101,675. The Council is due to have the loans repaid when the properties are sold in the future. Given the uncertainty of future timescales, these loans have been fully funded through the Council's capital programme. Any funds recovered in the future will therefore be a windfall to the Council.

### 15. Inventories

	Consumable Stores	Consumable Stores	Maintenance Materials	Maintenance Materials	Client services Work in Progress	Client services Work in Progress	Total	Total
	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000
<b>Balance at start of year</b>	34	26	22	30	-	-	56	56
Purchases	337	295	318	342	-	-	655	637
Recognised as an expense in the year	(345)	(297)	(310)	(348)	-	-	(655)	(645)
<b>Balance at year end</b>	26	24	30	24	-	-	56	48

### 16. Construction Contracts

At 31 March 2021 we had one contract with Taylor French Developments Ltd for the redevelopment of flats in Long Street and Coleshill Road Atherstone physically under construction. In addition there are some contractual retentions still outstanding to be settled during 2021/22.

### 17. Short Term Debtors

31 March 2020 £000		31 March 2021 £000
753	Trade Receivables	1,146
403	Prepayments	377
762	Local Taxation	3,157
283	Council Rents	243
639	Other Receivables	812
(365)	Bad debt provision	(691)
<b>2,475</b>	<b>TOTAL</b>	<b>5,044</b>

## 18. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2020 £000		31 March 2021 £000
2	Cash held by the Council	2
1,714	Bank current accounts	1,937
5,330	Short term deposits	13,000
<b>7,046</b>	<b>Total Cash and Cash Equivalents</b>	<b>14,939</b>

## 19. Assets Held for Sale

There were no assets held for sale at 31 March 2021.

## 20. Short Term Creditors

31 March 2020 £000		31 March 2021 £000
2,244	Trade Payables	2,880
2,650	Receipts in advance	2,257
228	Other Payables	2,509
11,900	Local Taxation	6,554
233	Council Rents	301
<b>17,255</b>	<b>TOTAL</b>	<b>14,501</b>

## 21. Provisions

Business Rate Payers can appeal against the rateable value of their properties to the Valuation Office. If they are successful, we will have to refund a proportion of the rates which they have paid. An increase in provision of £3.100 million has been made in the Collection Fund at 31 March 2021 (£1.709 million at 31 March 2020), to cover possible refunds. Of the £3.950 million set aside at 31 March 2020, we have settled claims of £1.275 million from that sum. Our share of the increase in provision is £1.240 million (40%) (£0.0004 million at 31 March 2020), with the remaining 60% falling to central government and Warwickshire County Council.

31 March 2020 £000		31 March 2021 £000
1,538	Opening Balance set aside as at 31 <sup>st</sup> March	1,580
	Add back - share to Central Government and Warwickshire County	
2,307	Council (60%)	2,370
(1,604)	Settled claims in year	(1,275)
<b>2,241</b>	<b>Sub Total</b>	<b>2,675</b>
1,709	Additional provision made in year	3,100
<b>3,950</b>	<b>Sub Total</b>	<b>5,775</b>
	Less - share to Central Government and Warwickshire County	
(2,370)	Council (60%)	(3,465)
<b>1,580</b>	<b>TOTAL</b>	<b>2,310</b>

## 22. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement (MIRS) on page 12. The Earmarked Reserves (General Fund and HRA) columns on the MIRS are further detailed in Note 6.

## 23. Unusable Reserves

31 March 2020 £000		31 March 2021 £000
(15,613)	Revaluation Reserve	(24,740)
(100,180)	Capital Adjustment Account	(114,013)
27,377	Pensions Reserve	37,084
(87)	Collection Fund Adjustment Account - CT	27
(4,819)	Collection Fund Adjustment Account - NDR	852
207	Accumulated Absences Account	252
-	Available for Sale Financial Instruments Reserve	-
(36)	Financial Instruments Revaluation Reserve	(88)
<b>(93,151)</b>	<b>Total Unusable Reserves</b>	<b>(100,626)</b>

### Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2019/20 £000		2020/21 £000
<b>(13,585)</b>	<b>Balance at 1 April</b>	<b>(15,613)</b>
(2,435)	(Upward)/Downward revaluation of assets not posted to the Surplus/Deficit on the Provision of Services	(9,632)
82	Accumulated gains on assets sold	111
-	Difference between fair value depreciation and historical cost depreciation	-
325	Amount written off to the Capital Adjustment Account	394
<b>(15,613)</b>	<b>Balance at 31 March</b>	<b>(24,740)</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

The Account also contains revaluations gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 5 provides details of the sources of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2019/20 £000			2020/21 £000	
	(95,157)	<b>Balance at 1 April</b>		(100,180)
		<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</i>		
4,419		▪ Charges for depreciation and impairment of non-current assets	4,723	
(1,606)		▪ Revaluation (gains) / losses on Property, Plant and Equipment	(8,428)	
78		▪ Amortisation of intangible assets	78	
47		▪ Revenue expenditure funded from capital under statute	46	
1,529		▪ Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,073	
	<b>4,467</b>	<b>Sub Total</b>		(2,508)
(325)		Adjusting amounts written out of the Revaluation Reserve	(436)	
(580)	(905)	Movements in the market value of Investment Property	(804)	(1,240)
		<i>Capital financing applied in the year:</i>		
(1,164)		▪ Use of the Capital Receipts Reserve to finance new capital expenditure	(2,561)	
-		▪ Use of the Major Repairs Reserve to finance new capital expenditure	-	
-		▪ Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(326)	
-		▪ Application of grants to capital financing from the Capital Grants Unapplied Account	-	
(2,154)		▪ Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(2,392)	
(5,267)	(8,585)	▪ Capital expenditure charged against the General Fund and HRA balances	(4,806)	(10,085)
	<b>(100,180)</b>	<b>Balance at 31 March</b>		<b>(114,013)</b>

## The Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

<b>2019/20 £000</b>		<b>2020/21 £000</b>
<b>35,845</b>	<b>Balance at 1 April</b>	<b>27,377</b>
(10,191)	Re measurement of the net defined benefit liability/(asset)	8,234
3,633	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	3,441
(1,910)	Employer's pensions contributions and direct payments to pensioners payable in the year	(1,968)
<b>27,377</b>	<b>Balance at 31 March</b>	<b>37,084</b>

## Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non domestic rates income in the Comprehensive Income and Expenditure statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

<b>Council Tax 2019/20 £000</b>	<b>Non Domestic Rates 2019/20 £000</b>		<b>Council Tax 2020/21 £000</b>	<b>Non Domestic Rates 2020/21 £000</b>
(91)	(4,503)	<b>Balance at 1 April</b>	(87)	(4,819)
4	(316)	Amount by which council tax and non domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non domestic rate income calculated for the year in accordance with statutory requirements	114	5,671
(87)	(4,819)	<b>Balance at 31 March</b>	<b>27</b>	<b>852</b>

### Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund and Housing Revenue Account balances from accruing for compensated absences earned but not taken in the year, for example annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund and Housing Revenue Account Balance are neutralised by transfers to or from the Account.

2019/20 £000		2020/21 £000
148	<b>Balance at 1 April</b>	207
(148)	Reversal of accrual made at the end of the preceding year	(207)
207	Amounts accrued at the end of the current year	252
207	<b>Balance at 31 March</b>	252

### Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

2019/20 £000		2020/21 £000
(50)	<b>Balance at 1 April</b>	(36)
14	(Upward)/Downward revaluation of investments	(52)
-	Downward/ Upward revaluation of investments not charged to the Surplus/Deficit on the Provision of Services	-
(36)	<b>Balance at 31 March</b>	(88)

## **24. Cash Flow Statement - Operating Activities**

The cash flows for operating activities include the following items:

2019/20 £000		2020/21 £000
(354)	Interest Received	(145)
10	Interest Paid	4
(344)	<b>Net interest included within the surplus on the provision of services</b>	(141)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2019/20 £000		2020/21 £000
3,553	Depreciation and Amortisation of Asset	2,806
1,723	Movement in pension liability	1,473
(28)	(Contribution to) / Use of Housing Repairs Reserve	(307)
(4,035)	Contributions to reserves	(10,357)
(312)	Reversal of Collection Fund Adjustments – CT and NDR	5,786
59	Accumulated Absences	45
42	Increase / (Decrease) in Provisions	730
1,417	Increase / (Decrease) in Creditors	(2,732)
(306)	(Increase) / Decrease in Debtors	(2,622)
1	(Increase) / Decrease in Stocks and WIP	(9)
<b>2,114</b>	<b>Adjustments for non cash movements</b>	<b>(5,187)</b>

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2019/20 £000		2020/21 £000
(430)	(Surplus) / Loss on sale of Assets	(166)
322	Payment of housing receipts to Housing Pool	321
<b>(108)</b>	<b>Adjustment for investing and financing activities</b>	<b>155</b>

## 25. Cash Flow Statement – Investing Activities

2019/20 £000		2020/21 £000
6,900	Purchase of property, plant and equipment, investment property and intangible assets	7,963
672	Other payments for investing activities	814
(2,051)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,278)
(2,909)	Other receipts from investing activities	(3,754)
<b>2,612</b>	<b>Net cash flows from investing activities</b>	<b>3,745</b>

## 26. Cash Flow Statement – Financing Activities

2019/20 £000		2020/21 £000
(1,750)	Cash receipts of short and long term borrowing	(2,000)
494	Other receipts from financing activities	(10,578)
<b>(1,256)</b>	<b>Net cash flows from financing activities</b>	<b>(12,578)</b>

## 27. Expenditure and Funding Analysis

(a) The Expenditure and Funding Analysis shows how the funding available to the authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Boards. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The Expenditure and Funding Analysis brings together the authority's performance reported on the basis of expenditure measured under proper accounting practices with statutorily defined charges to the General Fund and HRA.

The Expenditure and Funding Analysis:-

- shows for each of the authority's boards a comparison of the net resources applied and the net charge against council tax, and
- provides the opportunity to explain significant differences between the two within the authority's framework for accountability.

2019/20	2019/20	2019/20		2020/21	2020/21	2020/21
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Expenditure and Funding Analysis	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
747	37	784	Executive Board	620	39	659
5,148	1,235	6,383	Community and Environment Board	6,224	1,272	7,496
305	52	357	Planning and Development Board	310	30	340
2	7	9	Licensing Committee	48	7	55
1,774	1,029	2,803	Resources Board – Services	(1,291)	1,029	(262)
(229)	148	(81)	Resources Board – Recharged Services	(179)	(338)	(517)
(667)	271	(396)	Resources Board – Housing Revenue Account	(1,173)	301	(872)
<b>7,080</b>	<b>2,779</b>	<b>9,859</b>	<b>NET COST OF SERVICES</b>	<b>4,559</b>	<b>2,340</b>	<b>6,899</b>
(8,963)	(11,913)	(20,876)	Other Comprehensive Income and Expenditure	(16,374)	6,366	(10,008)
<b>(1,883)</b>	<b>(9,134)</b>	<b>(11,017)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>(11,815)</b>	<b>8,706</b>	<b>(3,109)</b>
(19,595)			Opening General Fund and HRA Balances	(18,661)		
3,203			Use of Reserves to fund Capital			
(2,269)			Expenditure	3,111		
			(Surplus) / Deficit on Provision of Services	(11,209)		
<b>(18,661)</b>			<b>Closing General Fund and HRA Balances</b>	<b>(26,759)</b>		

The table below further analyses the Adjustments between the Funding and Accounting Basis.

<b>Expenditure and Funding Analysis - adjustments between the funding and accounting basis</b>				<b>2020/21</b>
	<b>Adjustment for Capital Purposes</b>	<b>Net charge for Pensions Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Executive Board	-	39	-	39
Community and Environment Board	920	352	-	1,272
Planning and Development Board	1	29	-	30
Licensing Committee	-	7	-	7
Resources Board – Services	809	195	25	1,029
Resources Board – Recharged Services	(353)	15	-	(338)
Resources Board – Housing Revenue Account	84	197	20	301
<b>COST OF SERVICES</b>	<b>1,461</b>	<b>834</b>	<b>45</b>	<b>2,340</b>
Other Comprehensive Income and Expenditure	(8,239)	8,873	5,732	6,366
<b>Total Comprehensive Income and Expenditure</b>	<b>(6,778)</b>	<b>9,707</b>	<b>5,777</b>	<b>8,706</b>

<b>Expenditure and Funding Analysis – adjustments between the funding and accounting basis</b>				<b>2019/20</b>
	<b>Adjustment for Capital Purposes</b>	<b>Net charge for Pensions Adjustments</b>	<b>Other Differences</b>	<b>Total Adjustments</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Executive Board	-	37	-	37
Community and Environment Board	886	349	-	1,235
Planning and Development Board	4	48	-	52
Licensing Committee	-	7	-	7
Resources Board – Services	74	204	751	1,029
Resources Board – Recharged Services	132	16	-	148
Resources Board – Housing Revenue Account	64	199	8	271
<b>COST OF SERVICES</b>	<b>1,160</b>	<b>860</b>	<b>759</b>	<b>2,779</b>
Other Comprehensive Income and Expenditure	(2,287)	(9,328)	(298)	(11,913)
<b>Total Comprehensive Income and Expenditure</b>	<b>(1,127)</b>	<b>(8,468)</b>	<b>461</b>	<b>(9,134)</b>

## Adjustment for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the service line, and for:

- *Other operating expenditure* – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- *Financing and investment income and expenditure* – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- *Taxation and non-specific grant income and expenditure* - capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The taxation and Non-specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or which conditions were satisfied in the year.

## Net Change for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:

- *For services* this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- *For Financing and investment income and expenditure* – the net interest on the defined benefit liability is charged to the Consolidated Income and Expenditure Statement.

## Other Statutory Adjustments

Other statutory adjustments between amounts debited / credited to the Comprehensive Income and Expenditure Statement and amounts payable / receivable to be recognised under statute:

- *For Financing and investment income and expenditure* the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under *Taxation and non-specific grant income and expenditure* represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

## Other Non-statutory Adjustments

Other non-statutory adjustments represent amounts debited / credited to service segments which need to be adjusted against the 'Other income and expenditure from the Expenditure and Funding Analysis' line to comply with the presentational requirements in the Comprehensive Income and Expenditure Statement:

- *For financing and investment income and expenditure* the other non-statutory adjustments column recognises adjustments to service segments e.g. for interest income and expenditure and changes in the fair values of investment properties.
- *For taxation and non-specific grant income and expenditure* the other non-statutory adjustments column recognises adjustments to service segments e.g. for unringfenced government grants.
- The Council's governance arrangements are based on a committee model, which uses Service Boards / Committees. Reporting is undertaken on this basis.

**Income received on a segmental basis is analysed below:-**

	<b>2019/20</b>	<b>2020/21</b>
	<b>Income from Services</b>	<b>Income from Services</b>
<b>Board</b>	<b>£000</b>	<b>£000</b>
Executive Board	48	6
Community and Environment Board	3,138	2,358
Planning and Development Board	982	994
Licensing Committee	113	87
Resources Board – Services	14,134	21,101
Resources Board – Recharged Services	569	418
Resources Board – Housing Revenue Account	11,940	12,940
Other (*)	10,558	11,692
	<b>41,482</b>	<b>49,596</b>

(\*) This line covers other operating expenditure, financing and investment income and expenditure and taxation and non-specific grant income which are detailed in earlier notes 7, 8 and 9.

(b) Expenditure and Income analysed by Nature

The authority's expenditure and income is analysed as follows:-

<b>2019/20</b>	<b>Expenditure and Income</b>	<b>2020/21</b>
<b>£000</b>		<b>£000</b>
	Expenditure	
11,216	Employee Expenses	11,641
9,706	Other Service Expenses	14,413
10,503	Rent Allowances and Housing Benefit Payments	9,592
2,887	Depreciation, Amortisation and Impairment	2,254
1,723	Retirement Benefits	1,473
1,484	Revenue Expenditure Funded from Capital Under Statute	1,398
3,289	HRA – Debt Repayment and interest	3,504
322	Payment to Housing Capital Receipts Pool	321
1,019	Parish Precepts	1,074
-	Loss on Disposal of Assets	-
<b>42,149</b>	<b>Total Expenditure</b>	<b>45,670</b>
	Income	
(18,818)	Fees, Charges and Other Service Income	(19,758)
(344)	Interest and Investment Income	(141)
(6,611)	Income from Council Tax and NDR	(7,025)
(15,709)	Government Grants and Contributions	(22,672)
(430)	Gain on Disposal of Assets	(166)
<b>(41,912)</b>	<b>Total Income</b>	<b>(49,762)</b>
<b>237</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(4,092)</b>

## 28. Agency Services

Coventry City Council provided a payroll service to the Council in 2020/21, for which we paid a charge of £12,538. (£12,240 in 2019/20)

## 29. Pooled Budgets

### Building Control Partnership

From April 2019, the Council has been a member of the Central Building Control Partnership. The Partnership covers six councils - Lichfield District Council, Tamworth Borough Council, South Staffordshire Council, South Derbyshire District Council, Nuneaton and Bedworth Borough Council and North Warwickshire Borough Council. In 2020/21 the authority made a payment to the larger partnership of £35,200 (in 2019/20 we paid £35,200).

### Heart Partnership

We are part of a shared service for the delivery of an integrated Home Environment Assessment & Response Team (HEART) service. The overall aims and objectives of the shared service is to bring together housing and occupational therapy services in an integrated team which delivers Home Improvement Agency Services and housing adaptations for disabled and older people in Warwickshire. Participants in the shared service arrangement are North Warwickshire Borough Council, Warwickshire County Council, Rugby Borough Council, Nuneaton and Bedworth Borough Council, Stratford District Council and Warwick District Council.

The partnership has operated for a number of years, but during 2016/17 the arrangement was formalised and the relevant finances of the authorities involved were brought together in a pooled budget arrangement. The Heart Partnership is hosted by Nuneaton and Bedworth Borough Council and provides services to each of the Councils involved. The partnership reports to a Steering Group which is made up of elected members and officers from all partner authorities. The table below shows the budget and actual spend position during 2020/21.

2019/20 £		2020/21 £
765,048	Balance of funding retained by the Heart Shared Service to be carried forward to 2020/21 to spend in the North Warwickshire area	576,442
700,267	Budget – Disabled Facilities Grant	794,560
(888,873)	Spend by the Heart Shared Service on behalf of NWBC	(670,465)
576,442	<b>Balance of funding retained by the Heart Shared Service to be carried forward to 2021/22 to spend in the North Warwickshire area(*)</b>	700,537

(\*) The above unspent balance is being carry forward in the Financial Statements within reserve debtors and capital grants unapplied until it is spent by the Heart shared service on behalf of North Warwickshire Borough.

## 30. Members' Allowances

The Council paid the following amounts to members of the Council during the year.

	2019/20 £000	2020/21 £000
Allowances	227	234
Expenses	6	-
<b>Total</b>	<b>233</b>	<b>234</b>

### 31. Officers' Remuneration

The remuneration paid to the Council's senior employees is as follows:

2020/21	Salaries, Fees and Allowances	Expenses Allowances	Pensions	Total
Job Title	(£)	(£)	(£)	(£)
Chief Executive	104,037	3,456	20,911	128,404
Corporate Director - Resources	74,652	3,456	15,005	93,113
Corporate Director - Streetscape	72,632	3,456	14,599	90,687

2019/20	Salaries, Fees and Allowances	Expenses Allowances	Pensions	Total
Job Title	(£)	(£)	(£)	(£)
Chief Executive	98,756	3,456	19,751	121,963
Corporate Director – Community (April – October 2019)	38,416	1,728	7,569	47,712
Corporate Director - Resources	70,920	3,456	14,184	88,560

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Employee Pay Bands	2019/20 staff numbers	2020/21 staff numbers
£50,000-£54,999	1	1
£55,000-£59,999,	-	1
£60,000-£64,999	-	-
£65,000-£69,999	-	-
£70,000-£74,999	4	2

The number of exit packages with total costs per band and total cost of the compulsory and other redundancies are set out in the table below and note 38.

Exit packages cost band	Number of compulsory redundancies		Total cost of exit packages for compulsory redundancies by cost band	
	2019/20	2020/21	2019/20	2020/21
			£	£
£0 – £20,000	2	-	19,462.50	-
£20,001 - £40,000	-	-	-	-
£40,001 - £60,000	-	-	-	-
£60,001 - £80,000	-	-	-	-
£80,001 - £100,000	-	-	-	-
£100,001 - £120,000	-	-	-	-
£120,001 - £140,000	1	-	123,871.99	-
<b>Total</b>	<b>3</b>	<b>-</b>	<b>143,334.49</b>	<b>-</b>

There are no costs to charge to the Council's Comprehensive Income and Expenditure Statement in the current year.

### 32. External Audit Costs

We pay audit fees for work undertaken on the audit of the Statement of Accounts, the certification of grant claims and returns and statutory inspections. Our appointed auditors for 2020/21 are Ernst Young LLP, with the exception of the Housing Benefit claim, for which Grant Thornton were appointed.

The table below indicates the costs incurred, or to be incurred, on the audit of the 2020/21 accounts.

Type of Audit Work	2019/20 £000	2020/21 £000
Fees payable to Ernst Young LLP with regard to external audit services carried out for the year	33	39
Fees payable to Ernst Young LLP/Grant Thornton for the certification of grant claims and returns for the year – Pooling of Capital Receipts and Housing Benefit	16	23
Additional fees payable to Ernst Young LLP for work on 2018/19 accounts and Housing Benefit for 2018/19 and 2019/20	58	54
<b>Total</b>	<b>107</b>	<b>116</b>

### 33. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2020/21.

	2019/20 £000	2020/21 £000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Revenue Support Grant	-	-
Non Domestic Rates	1,891	1,922
<b>Total</b>	<b>1,891</b>	<b>1,922</b>

<b>Credited to Services</b>		
New Burdens - Single Fraud Initiative Grant	1	-
New Burdens - Brownfield Register Grant	2	-
New Burdens - Verify Earnings & Pensions Alert Service	18	8
New Burdens - EU Exit Preparation	35	-
New Burdens - Council Tax Discount for Family	4	-
New Burdens - Local Authority Support grant Covid 19	34	1,021
New Burdens - Private Rent Sector Innovation & Enforcement grant	25	-
New Burdens - Business Rate Relief	9	-
New Burdens - Admin Severe Disability Changes	-	1
New Burdens - Payment Strategy 20-21	-	1
New Burdens - LRSG Admin Grant	-	58
New Burdens – Mobile Homes Fit & Proper Test	-	1
New Burdens – Council Tax Discounts for Annexes	-	4
New Burdens – Grant Assessment	-	130
New Burdens – Geo place Grant	-	1
New Burdens - Business Rates Administration Costs Grant	-	21
DMP – Stop-a-while – Delivery Fund Grant WCC	-	10
Planning Enforcement Grant	50	-
Local Government Association – Administration Review Grant	7	4
National Lottery Grant – Safer Communities	8	-
Heritage Lottery and Leader Funding for Meadow Street Gardens	56	75

<b>Credited to Services - Continued</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Severn Trent Water Community Fund – Meadow Street Gardens	-	10
Electoral Reform Services Grant	26	31
Small Business and Empty Property Rate Relief	1,467	8,744
Neighbourhood Planning Grant	20	-
Cyber Security Grant	-	3
DWP – Lettings Agents & Trans & redress	-	1
DWP - Civica Software updates	13	9
DWP - implementing Welfare Reform changes	29	13
DWP - Universal Credit Support Grant	-	6
Armed Forces Covenant Veterans Hub Grant	16	8
Leader Project Grant	61	58
Stronger and Safer Communities Funding	32	32
New Burdens - Transparency Code Set Up	8	16
Benefits Grant (DHP)	76	106
Benefits Administration Grant	209	205
New Homes Bonus Scheme	921	738
Rent Allowances Subsidy	5,516	4,979
National Non Domestic Rates Administration Grant	110	111
Housing Rent Rebates	4,626	4,326
Custom Build Grant	15	-
Homelessness Reduction and Support Grant	112	133
Reopening the High Street	-	36
Covid Outbreak Management Grant (COMF)	-	400
MHCLG Covid Compliance & Enforcement Grant	-	33
BEIS Green Homes Grant	-	320
Homes England – New Homes Build Grant	-	261
Covid Fees and Charges Support Grant	-	1,102
Self Isolation Administration Grant	-	28
Test and Trace – WCC Fund	-	6
<b>Total</b>	<b>13,506</b>	<b>23,050</b>

## **Covid Grants**

The government has provided a range of financial support packages throughout the COVID-19 pandemic. The Council received some funding towards its own costs and to offset loss of income. We also received financial support for the additional costs of administering other support packages, to both businesses and individuals.

The Council distributed both Business Grants and Test and Trace payments on behalf of the government. There were a number of business grant schemes, which included: the Small Business Grant Fund; Retail, Hospitality and Leisure Grant Fund; and multiple Local Restrictions grant schemes i.e. open, closed, sector, additional. Billing authorities were responsible for paying over the grants to local businesses and were then reimbursed by government using a grant under Section 31 of the Local Government Act 2003 (S31). The majority of schemes are fully reimbursed, but for some, authorities received a set allocation.

Accounting for these grant schemes varies depending on whether the Council is acting as an agent for the Government or is acting as a principal in the distribution of the grant. The Council has considered the nature and terms of the various COVID-19 measures in order to determine whether there is income and expenditure to be recognised in the Comprehensive Income and Expenditure Statement (CIES) in 2020/21 with regard to the general principle of whether the authority is acting as the principal or agent.

The Council considers that accounting for the grant schemes as an agent is appropriate where: the Council is administering the distribution of the grant; is fully reimbursed for delivering that funding (and the authority is not liable for any overpayments); and the amount of the award is predetermined based on business rate relief or rateable value. This indicates that the authority is acting as an intermediary for the Department for Business, Energy and Industrial Strategy (BEIS) and does not have 'control'. Similarly, this is also the case for the Test and Trace grants awarded for the Department for Work and Pensions (DWP).

Where the Council has acted as an agent, the grant has not been reported as income and expenditure, and balances relate only to sums due to or from the authority. Where the Council has discretion over the businesses to support and the amount of the award, it is acting as a principal as opposed to acting as an agent, and transactions have been included in the financial statements.

The following table summarises the position for each of the grant support schemes.

<b>Grant</b>	<b>Government Funding</b>	<b>Grants Paid</b>	<b>Balance Remaining</b>
	£'000	£'000	£'000
Small Business Grants Fund (SBGF) (to August 2020)	(9,070)	9,070	-
Retail, Hospitality and Leisure Grant Fund (RHLGF) (to August 2020)	(3,980)	3,980	-
The Local Restrictions Support Grant (Closed) 5 November – 1 December 2020	(831)	619	212
Local Restrictions Support Grants (LRSG) (closed) 2 December 2020 – 4 January 2021	(449)	361	88
The Local Restrictions Support Grant (Closed) Addendum (5 January onwards)	(2,553)	1,878	675
Christmas Support Payment	(45)	67	(22)
Closed Businesses Lockdown Payment (CBLP)	(2,493)	1,846	647
Local Restrictions Support Grant (open)	(21)	15	6
<b>Total Agent (BEIS)</b>	<b>(19,442)</b>	<b>17,836</b>	<b>1,606</b>
Test and Trace Support Payment Scheme - Main Scheme	(132)	76	56
Test and Trace Support Payment Scheme - Discretionary Scheme	(25)	0	25
<b>Total Agent (DWP)</b>	<b>(157)</b>	<b>76</b>	<b>81</b>
Additional Restrictions Grant (ARG)	(1,885)	1,362	523
Local Authority Discretionary Grant Fund (LADGF) (to August 2020)	(661)	661	-
<b>Total Principal (BEIS)</b>	<b>(2,546)</b>	<b>2,023</b>	<b>523</b>

### 34. Related Parties

We are required to disclose material transactions with related parties – these are bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

## Central Government

Central government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which we operate and provides a significant proportion of our funding in the form of grants and prescribes the terms of many of the transactions that we have with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are shown in Note 33.

## Members

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in Note 30.

## Other Public Bodies (subject to common control by central government)

We have a pooled budget arrangement with 5 other Councils (Lichfield, Tamworth, South Derbyshire, South Staffordshire and Nuneaton and Bedworth) for the provision of building control services and with other Warwickshire Authorities for the delivery of the Heart Shared Service. Transactions and balances outstanding are detailed in Note 29.

Seven Borough Councillors were also Warwickshire County Councillors in 2020/21. During the year, we paid £2,649,241 (£2,760,336 in 2019/20) to Warwickshire County Council for services including: pensions, land charges, broadband, arboriculture services, trade refuse disposal, contribution to the costs of Lower House Farm recycling facility and leisure facilities. Income of £761,717 (£523,117 in 2019/20) was received from the County Council for grass cutting, schools trade refuse, one public estate project management, funding for a hospital liaison officer post, Health improvement grant, part occupation of Council Offices, Homeless Project and recycling activities.

Seven Borough Councillors were also on Atherstone Town Council in 2020/21. Income of £133,455 (£48,321 in 2019/20) was received from Atherstone Town Council, for the monitoring of their CCTV cameras within the town, contribution towards the capital costs of the replacement CCTV system and for some grounds maintenance work. Payments of £3,000 were made to Atherstone Town Council towards for a Community Grant and Covid 19 CEV funding.

Three Borough Councillors were also on Coleshill Town Council in 2020/21. Income of £1,732 (£8,105 in 2019/20 for the provision of a trade refuse service and two town council by-elections) was received from Coleshill Town Council, for the provision of a trade refuse service and a Pavement Licence. Payments of £1,700 (£5,898 in 2019-20 for a grant towards Coleshill Hall project and hire of premises for elections) were made to Coleshill Town Council towards the town's CCTV scheme.

During the year a payment of £34,807.50 (£34,808 in 2019/20) was made to North Warwickshire Citizens Advice Bureau. The Borough Council was represented on the North Warwickshire Citizens Advice Bureau by 1 Borough Councillor. The transaction represents a contribution to the running expenses of the organisation. The Member recorded an interest in the Register of Members Interests, which is open to public inspection at the Council Offices during office hours.

The Council is a non-constituent member of the West Midlands Combined Authority (WMCA). The WMCA is a group of councils across the region that is working together to seek greater decision-making powers from the government in a process known as devolution. In the Scheme sent to Government only constituent members have voting rights. Now the WMCA is established, constituent members could give voting rights to non-constituent members, for example, allowing them to vote on matters to do with economic

development. Constituent members may only be signed up to one combined authority, whilst non-constituent members can be signed up to one or more combined authorities. In 2020/21 North Warwickshire Borough Council paid the WMCA a £25,000 contribution to help fund its programmes and initiatives (£25,000 in 2019/20).

### 35. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with previous year's unfunded capital creditors. The resources that have been used to finance this expenditure are also shown.

<b>Capital Expenditure and Financing</b>		
	<b>2019/20 £000</b>	<b>2020/21 £000</b>
<i>Capital Investment</i>		
Property, Plant and Equipment	6,637	7,868
Investment properties		
Intangible Assets	57	80
Revenue Expenditure Funded from Capital Under Statute	731	814
<b>Total Expenditure</b>	<b>7,425</b>	<b>8,762</b>
<i>Sources of Finance</i>		
Capital receipts	(1,139)	(2,299)
Government grants and other contributions	(725)	(1,176)
Revenue Contribution to Capital	(119)	-
Section 106 contributions	-	(66)
Earmarked Capital Reserve	(359)	(278)
Major Repairs Reserve/HRA RCCO	(4,790)	(4,669)
Capital Creditors	(293)	(274)
Prudential Borrowing	-	-
<b>Total Financing</b>	<b>(7,425)</b>	<b>(8,762)</b>

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is shown below.

	<b>2019/20 £000</b>	<b>2020/21 £000</b>
Long Term Assets	177,145	197,693
Revaluation Reserve	(15,613)	(24,740)
Capital Adjustment Account	(100,180)	(114,013)
<b>Capital Financing Requirement</b>	<b>61,352</b>	<b>58,940</b>

### 36. Leases

#### Council as Lessee

##### *Finance Leases*

The Council has no finance leases where the council is the lessee.

##### *Operating Leases*

We have a Land and Building lease. This relates to some industrial units known as Units 18-39 Innage Park, Atherstone, which we sub-let.

The future minimum sublease payments expected to be received by the Council are shown in the table below, along with the expenditure in relation to these leases during the year. Both the income and expenditure are included within the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

31 March 2020 £000		31 March 2021 £000
121	Minimum lease payments	122
(124)	Contingent rents	(137)
<b>(3)</b>	<b>Total</b>	<b>(15)</b>

### Council as Lessor

#### *Finance Leases*

The Council hasn't leased out any assets under finance leases.

#### *Operating Leases*

The Council leases out property under operating leases for economic development purposes to provide suitable affordable accommodation for local businesses.

The future minimum lease payments receivable under non-cancellable leases in future years are:

31 March 2020 £000		31 March 2021 £000
398	Not later than one year	417
205	Later than one year and not later than five years	205
4,229	Later than five years	5,051
<b>4,832</b>	<b>Total</b>	<b>5,673</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into such as adjustments following rent reviews. In 2020/21, £84,054.71 contingent rents were receivable by the Council (£70,865.05 in 2019/20).

### **37. Impairment Losses**

We are required to disclose by class of assets the amounts for impairment losses and impairment reversals charged to the Surplus or Deficit on the Provision of Services and to Other Comprehensive Income and Expenditure. These disclosures are consolidated in Notes 10 and 13 reconciling the movement over the year in the Property, Plant and Equipment and Intangible Asset balances.

There were no material impairment losses recognised during 2020/21 (none 2019/20).

### **38. Termination Benefits**

The Council terminated the contracts of no employees in 2020/21 and incurred no liabilities (£143,334.49 in 2019/20) – see Note 31 for the number of exit packages and total cost per band. No payments were made in 2020/21 (in 2019-20 payments were made to a Leisure Centre Duty Officer, a Leisure Centre Fitness Coordinator and Leisure Business Support Officer).

## **39. Defined Benefit Pension Schemes**

### Participation in Pension Schemes

As part of the terms and conditions of employment of our officers we make contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, we have a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

We participate in the Local Government Pension scheme administered locally by Warwickshire County Council. This is a funded defined benefit salary scheme meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The scheme was a final salary scheme until 31 March 2014 and then changed to a career average scheme from 1 April 2014.

The principal risks to the council of the scheme are the longevity assumptions, statutory changes to the scheme, and structural changes to the scheme (i.e. large scale withdrawals from the scheme), changes to inflation, bond yields and the performance of equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

In addition there are arrangements for the award of discretionary post retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there will be no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension's payments as they eventually fall due. These costs are included in the following figures.

### Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year so the real cost of post employment / retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year:

	2019/20 £000	2020/21 £000
<b>Comprehensive Income and Expenditure Statement</b>		
<i>Cost of Services</i>		
• Current service cost	(3,498)	(2,802)
• Past Service Cost and Curtailments	728	-
<i>Financing and Investment Income and Expenditure</i>		
• Interest cost	(2,668)	(2,228)
• Expected return on scheme assets	1,805	1,589
<b>Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>(3,633)</b>	<b>(3,441)</b>
<i>Re measurement of the net defined benefit liability comprising</i>		
• Return on plan assets	(7,074)	16,453
• Actuarial (losses)/gains arising on changes in demographic assumptions	3,275	(1,472)
• Actuarial (losses)/gains arising on changes in financial assumptions	8,324	(24,112)
• Other	5,666	897
<b>Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>10,191</b>	<b>(8,234)</b>
<i>Movement in Reserves Statement</i>		
• Reversal of net charges made to the Surplus or Deficit of Services for post employment benefits in accordance with the Code	4,361	3,441
<i>Actual amount charged against the General Fund Balance for pensions in the year:</i>		
• Employers contributions payable to scheme	1,910	1,968
<b>Retirement benefits payable to pensioners</b>	<b>(3,269)</b>	<b>(2,917)</b>

The cumulative amount of actuarial gains and losses recognised in other Comprehensive Income and Expenditure in the actuarial gains and losses on pension assets and liabilities line was a loss of £8,234,000 at 31 March 2021 (a gain of £10,191,000 at 31 March 2020).

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded Liabilities	
	2019/20 £000	2020/21 £000
<b>Opening balance at 1 April – Funded liabilities</b>	<b>109,411</b>	<b>95,160</b>
<b>Opening balance at 1 April – Unfunded liabilities</b>	<b>1,875</b>	<b>1,586</b>
Current service cost	3,498	2,802
Past Service Cost	(728)	-
Interest Cost	2,668	2,228
Contributions by scheme participants	556	521
Actuarial losses arising from changes in demographic assumptions	(3,275)	1,472
Actuarial losses arising from changes in financial assumptions	(8,324)	24,112
Other	(5,666)	(897)
Benefits paid - funded	(3,143)	(2,792)
Benefits paid - unfunded	(126)	(125)
<b>Closing balance at 31 March – Funded liabilities</b>	<b>95,160</b>	<b>122,398</b>
<b>Closing balance at 31 March – Unfunded liabilities</b>	<b>1,586</b>	<b>1,669</b>

## Reconciliation of the fair value of the scheme (plan) assets:

	Funded Assets	
	2019/20 £000	2020/21 £000
<b>Opening fair value of scheme assets at 1 April</b>	<b>75,441</b>	<b>69,369</b>
Expected rate of return - Interest	1,805	1,589
Actuarial gains – Return on plan assets	(7,074)	16,453
Contributions by scheme participants	556	521
Employer contributions	1,784	1,843
Contributions in respect of unfunded benefits	126	125
Benefits/transfers paid	(3,143)	(2,792)
Unfunded Benefits/transfers paid	(126)	(125)
<b>Closing fair value of scheme assets at 31 March</b>	<b>69,369</b>	<b>86,983</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was (£18,258) million (£5.269 million in 2019/20).

## Scheme History - Pensions Assets and Liabilities recognised in the Balance Sheet

	31 March 2017 £000	31 March 2018 £000	31 March 2019 £000	31 March 2020 £000	31 March 2021 £000
Present value of the defined benefit obligation	(97,386)	(99,124)	(111,286)	(96,746)	(124,067)
Fair value of Plan assets	70,094	71,556	75,441	69,369	86,983
<b>Net liability arising from defined benefit obligation</b>	<b>(27,292)</b>	<b>(27,568)</b>	<b>(35,845)</b>	<b>(27,377)</b>	<b>(37,084)</b>

The liabilities show the underlying commitments that we have in the long-run to pay post employment (retirement) benefits. The total liability of £37.084 million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. This deficit would impact upon our reserves only if it all fell due at the same time. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy – the deficit on the scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

In 2021/22 the estimated contributions expected to be paid to the scheme after the Balance Sheet date is £1,850,000.

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels and so on. The liabilities of the Warwickshire County Council Fund have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with estimates for the County Council Fund being based on the latest valuation of the scheme as at 31 March 2021. These figures do not include any limits imposed by IFRIC interpretation IAS 19.

The main assumptions used by the actuary for estimating assets and liabilities are:

	2019/20	2019/20	2020/21	2020/21
	Beginning of year	End of Year	Beginning of year	End of Year
<b>Allowance for Admin Expenses</b>				
Expenses Deducted (p.a.)	0.6%	0.6%	0.7%	0.7%
Mortality assumptions:				
<b>Longevity at 65 for current pensioners:</b>				
Men	21.6	21.6	21.8	21.8
Women	23.8	23.8	24.2	24.2
<b>Longevity at 65 for future pensioners:</b>				
Men	22.5	22.5	23.0	23.0
Women	25.4	25.4	26.1	26.1
Rate of Inflation (CPI)	2.5%	1.9%	1.9%	2.85%
Rate of Increase in salaries	3.1%	2.7%	2.7%	3.65%
Rate of increase in pensions	2.5%	1.9%	1.9%	2.85%
Rate of discounting scheme liabilities	2.4%	2.3%	2.3%	2.0%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men or women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	2019/20	2019/20	2020/21	2020/21
	Beginning of year	End of Year	Beginning of year	End of Year
Take up option to convert annual pension into retirement lump sum – pre April 2008	50%	50%	50%	50%
Take up option to convert annual pension into retirement lump sum – post April 2008	75%	75%	75%	75%

The table below details the pension scheme's assets consisting of the following categories, by value and proportion of the total assets held.

	2019/20	2019/20	2020/21	2020/21
	£ 000	%	£ 000	%
<b>Equity Securities:-</b>				
• Consumer	-	0.0%	-	0.0%
• Manufacturing	-	0.0%	-	0.0%
• Energy and Utilities	-	0.0%	-	0.0%
• Financial Institutions	-	0.0%	-	0.0%
• Health and Care	-	0.0%	-	0.0%
• Information Technology	-	0.0%	-	0.0%
• Other	-	0.0%	41.0	0.1%
<b>Debt Securities:-</b>				
• Corporate Bonds (investment grade)	-	0.0%	8,479.7	9.7%
• Corporate Bonds (non-investment grade)	-	0.0%	2,081.1	2.4%
• UK Government	-	0.0%	3,977.8	4.6%
• Other	2,206.1	3.2%	7,248.5	8.3%
<b>Private Equity:-</b>				
• All	3,319.6	4.8%	4,455.6	5.1%
<b>Real Estate:-</b>				
• UK Property	6,779.1	9.8%	7,896.4	9.1%
• Overseas Property	6.0	0.0%	-	0.0%
<b>Investment Funds and Unit Trusts:-</b>				
• Equities	39,763.6	57.3%	48,602.9	55.9%
• Bonds	10,658.4	15.4%	-	0.0%
• Hedge Funds	-	0.0%	-	0.0%
• Infrastructure	1,825.0	2.6%	2,510.9	2.9%
• Other	3,843.6	5.5%	-	0.0%
<b>Cash and Cash Equivalents:-</b>				
• All	967.6	1.4%	1,689.1	1.9%
<b>Total</b>	<b>69,369.0</b>	<b>100.0%</b>	<b>86,983.0</b>	<b>100.0%</b>

#### Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the schemes actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2022.

#### **40. Nature and Extent of Risks arising from Financial Instruments**

The Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council.
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services.

Risk management is carried out by the Financial Services team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for the overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash.

➤ *Credit Risk*

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Annual Investment Strategy which requires that deposits are not made with financial institutions unless they meet minimum credit criteria in accordance with the Fitch, Moody's and Standard and Poor's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

This Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps spreads to give early warning of likely changes in credit ratings
- Sovereign ratings to select counterparties from only the most creditworthy countries

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to investments in banks and building societies of £3 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay the historical principal will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Council's deposits, but there was no evidence at the 31 March 2021 that this was likely to crystallise.

The Council's exposure to credit risk on other financial assets relates to trade/sundry debtors. We do not allow credit for trade/sundry debtors so £351,899 of the balance is past its due date for payment. The past due amount can be analysed by age as follows:

	<b>31 March 2020</b> <b>£000</b>	<b>31 March 2021</b> <b>£000</b>
Less than three months	152	242
Between three and six months	60	31
Between six months and one year	13	16
More than one year	39	63
<b>TOTAL</b>	<b>264</b>	<b>352</b>

The Council initiates a legal charge on property where clients cannot pay their debts and recovery action has been unsuccessful. The total collateral at 31 March 2021 was £2,305.

➤ *Liquidity Risk*

The Council uses cash flow analysis and risk management procedures to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Instead, the risk is that the authority will need to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

The maturity analysis of financial liabilities is as follows:

	<b>31 March 2020 £000</b>	<b>31 March 2021 £000</b>
Less than one year	2,000	2,250
Between one years and two years	2,250	2,260
Between two and five years	6,960	7,150
Between five and ten years	14,300	16,130
Between ten and fifteen years	12,979	8,699
Between fifteen and twenty years	-	5,000
More than twenty years	10,000	5,000
<b>Total</b>	<b>48,489</b>	<b>46,489</b>

All trade and other creditors are due to be paid in less than one year.

Liquid resources held by the Council are short-term investments. These continue to be managed internally, with a limit on the amount that can be invested with any one institution in accordance with the authorised lending list. All investments at 31 March 2021 were held with banks and building societies. At 31 March 2021 the Council had short-term investments of £16.515 million.

	<b>31 March 2020 £000</b>	<b>31 March 2021 £000</b>	<b>Change in year £000</b>
Short Term Investments	27,093	16,515	(10,578)
<b>Total</b>	<b>27,093</b>	<b>16,515</b>	<b>(10,578)</b>

#### ➤ *Market Risk*

**Interest Rate Risk** - The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – the fair value of the borrowings will fall (no impact on revenue balances)
- Investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of services will rise
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other

Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Council has a number of strategies for managing interest rate risk. Policy is to assess the likelihood of movements in interest rates, when taking decisions on variable rate loans. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	<b>£000</b>
Increase in interest payable on variable rate borrowings	-
<i>Increase in interest receivable on variable rate investments</i>	
- Money market Funds	130
- Ultra Short term dated bonds	60
<b>Net impact on the (Surplus) / Deficit on the provision of services</b>	<b>190</b>

The approximate impact of a 1% fall in interest rates would be as above but with the movement being reversed.

We borrowed from the Public Works Loans Board to make the Housing Self Financing Settlement payment. We currently have no other long term external borrowing, as we have chosen to make use of the reserves we hold, and finance borrowing internally. We continue to monitor market rates at the moment, ready for when the Council needs to borrow in the future.

#### **41. Going Concern**

The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

Covid-19 emerged towards the end of 2019/20 and has had a significant impact on the financial position of the Council during 2020/21. There has been an impact in the following areas:-

- ◆ Loss of service income due to temporary closures, reduction in demand, and increased collection losses;
- ◆ Additional expenditure, e.g. provision of new and expanded services in response to the crisis (such as additional costs incurred on supporting those shielding), and additional costs associated with changes to working practices (such as remote working);
- ◆ Changes to government policy, e.g. changes to business rate reliefs, guidance on supplier relief, additional funding for local authorities, and additional responsibilities which sit alongside this;
- ◆ Some impact on the Council's capital programme, e.g. delays caused by government restrictions, and whether there is a need to rephase work for other reasons;
- ◆ An impact on the Council's joint ventures;
- ◆ Some impact from the above on the Council's cash flow and treasury management, including availability of liquid cash (as at May 2022 the Council has around £34.4 million short term investments), impact on investment returns, and availability of external borrowing if required.

- ◆ An overall impact on the Council's General Fund and Housing Revenue Account reserves.

This significant financial challenge affected the Council, as it did all local authorities. The Council took the decision in September 2020 to use earmarked reserves in both 2020/21 and 2021/22 to manage the impact of Coronavirus but have not assumed any further use in 2022/23 and beyond. All financial reviews undertaken are based on the latest expectations of expenditure and income levels, taking into account lower income levels and higher service costs as appropriate.

The last published revision of the Medium Term Financial Strategy was undertaken in February 2022 and included the position at the end of 2020/21, which had taken into account government funding received and the use of earmarked reserves. This left the General Fund balance as at 31 March 2021 at £2.471 million (subject to year-end adjustments and audit). The Council continues to review its Medium Term Financial Strategy, with a further update due in September 2022.

General reserves and balances are held to provide a general contingency for unavoidable or unforeseen expenditure and also gives stability for longer term planning. The level of general reserves held is based on an assessment of the financial risks attached to the budget. The Council's prudent minimum balance on the General Fund is £1.4 million. Whilst there are significant ongoing challenges for the Council, the impact of Covid is being managed.

Furthermore, the Code requires that local authorities prepare their accounts on a going concern basis, as they can only be discontinued under statutory prescription. For these reasons, the Council does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future.

#### **42 Events after the Balance Sheet date.**

The Statement of Accounts was authorised for issue by the Corporate Director Resources on 16th May 2022. Events taking place after this date are not reflected in the Financial Statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the notes in the Financial Statements and notes have been adjusted in all material respects to reflect the impact of this information.

#### **Covid-19**

The Council set its 2020/21 Budget in February 2020, prior to the World Health Organisation declaring COVID-19 a world Pandemic on the 12 March 2020 and the subsequent UK lockdown which started on the 23 March 2020.

As a Category 1 responder, North Warwickshire Borough Council has provided a wide range of support to vulnerable residents, businesses and partner organisations. This has required the Council to incur additional costs outside of our approved budget and take decisions in line with new government direction and guidance to ensure that essential services are able to continue in what is an extremely challenging situation.

The full financial impact of COVID-19 is still emerging and will not be known for some time. Government measures to control the outbreak, the impact on the UK economy and locally on our residents and businesses are still subject to some uncertainty.

We continue to model 3 different scenarios to illustrate the scale of the financial impact that the Council could face in 2022/23 and over the medium term: an optimistic scenario which limits the length of the impact of the outbreak, an expected scenario which assesses the impact given current knowledge and a pessimistic scenario which assumes a longer term impact of the outbreak.

The Executive Board considers the outcome of these scenarios and is satisfied that the Council remains a going concern as its combined cash and short-term investment holdings as at May 2022 are £34.4m which exceed the liquidity shortfall that would be required within the worst case scenario model.

Work to review the level and scope of Council services in the future continues to ensure that the Council remains financially sustainable and can support the economic recovery and our most vulnerable residents.

### Materials Recycling Facility

On the 1 April 2021, the Council entered into a number of key legal agreements including but not limited to the Shareholders Agreement and Loan Facility Agreement in relation to Sherbourne Recycling Limited - this is a cross-authority owned Materials Recycling Facility designed to process each authority's kerbside collected recyclate. As one of 8 shareholders, North Warwickshire Borough Council made an equity investment of £46,700 for their 4.7% share in Sherbourne Recycling Limited (SRL).

Over the course of the next 24 months, SRL will draw down the loan facility with the Council for a maximum amount of £2.676m, scheduled based on the payment of milestones by civils, process equipment and other contractors involved in the construction and operation of the company.

All interest accrued during this construction phase will be capitalised and added to the principal at the end of construction phase. Once operational the principal and interest will be repaid over the next 25 years in line with the terms of the Loan Facility Agreement. The facility to due to be operational from mid-2023.

Coventry City Council has entered into a Financial Payment Guarantee with each contractor on behalf of Sherbourne Recycling Limited (the "Company"); to guarantee the company's obligation to pay each contractor for the works to be provided under each respective contract. Each Partner Council has agreed by entering into the Shareholder's Agreement, that they will indemnify Coventry City Council for any loss or liability arising under or in connection with the Financial Payment Guarantee in proportion with their respective shareholding.

### **43. Covid-19 Grant Support Arrangements**

To support the economy during the Covid-19 pandemic, the Government has made substantial funds available, a number of which have been allocated to local authorities for distribution.

In accounting for these grants, the Council has made judgements as to whether, for each individual grant, it is acting as the principal or as agent in their distribution based on the level of control the Council has in determining allocations to recipients. Details of the material grants are shown in the relevant notes to the accounts.

## North Warwickshire Borough Council

### Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account (HRA) Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and grants. Councils charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement.

Actual 2019/20 £000	Actual 2019/20 £000		Actual 2020/21 £000	Actual 2020/21 £000	Note
		<b>EXPENDITURE</b>			
3,286		Repairs and Maintenance	3,031		5
1,516		Supervision and Management			
405		- General	1,600		
2,918		- Special Services	409		
		Depreciation, Impairment and revaluation losses of non-current assets	3,036		9
3,289		Debt Management Costs	3,504		14
27		Movement in the allowance for bad debts	18		13
	11,441	<b>TOTAL EXPENDITURE</b>		11,598	
		<b>INCOME</b>			
(11,299)		Dwelling rent	(11,460)		12
(380)		Non-dwelling rent	(389)		
(114)		Charges for Services and Facilities	(105)		
		Grant for New Build			
	(11,793)	<b>TOTAL INCOME</b>		(11,954)	
	(352)	<b>Net Expenditure/ (Income) of HRA Service as included in the Comprehensive Income and Expenditure Statement</b>		(356)	
	78	HRA service share of Corporate and Democratic Core		77	
	(274)	<b>Net Income/cost for HRA Services</b>		(279)	
		<b>HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement</b>			
	(430)	Gain on sale of HRA non-current assets		(129)	
	(435)	Interest payable and similar charges		(4)	10/15
	(105)	Interest and Investment Income		(21)	15
	(1,077)	Deficit or (Surplus) on Revaluation of Property, Plant and Equipment		(7,198)	10
	(2,321)	<b>(Surplus) or Deficit for the year on HRA Services</b>		(7,631)	

## North Warwickshire Borough Council

### Movement on the Housing Revenue Account Statement

This shows how the surplus/deficit on the HRA Income and Expenditure statement reconciles to the movement on the Housing Revenue Account Balance for the year.

2019/20 £000		2020/21 £000
(4,691)	<b>Balance on the HRA at the end of the previous year</b>	(4,733)
(2,321)	(Surplus)/ Deficit for the year on the HRA Income and Expenditure Statement	(7,631)
1,751	Adjustments between accounting basis and funding basis under statute	7,154
(570)	<b>Net (Increase) or decrease before transfers to or from reserves</b>	(477)
528	Transfers to or (from) reserves	1,549
(42)	<b>(Increase) or decrease in year on the HRA</b>	<b>1,072</b>
(4,733)	<b>Balance on the HRA at the end of the current year</b>	<b>(3,661)</b>

#### Adjustments between accounting basis and funding basis under statute:

2019/20 £000		2020/21 £000	Note
	<b>Items included in the HRA Income and Expenditure Statement but excluded from the movement on HRA Balance for the Year</b>		
1,077	Reversal of Impairment losses and revaluations	7,198	10
430	Gain on sale of HRA Property, Plant and Equipment	129	
(199)	Net charges made for retirement benefits in accordance with IAS 26	(197)	11
8	(Increase)/Reduction in accrual for employee benefits	20	
1,316	<b>Items not included in the HRA Income and Expenditure Statement but included in the movement on HRA Balance for the Year</b>	<b>7,150</b>	
435	Transfer to Capital Adjustment Account	4	15
1,751	<b>Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year</b>	<b>7,154</b>	

#### Transfers to or from reserves

2019/20 £000		2020/21 £000	Note
27	Transfer to/(from) the Housing Repairs Reserve	307	5

## North Warwickshire Borough Council

### Notes to the Housing Revenue Account (HRA) Statements for the Year Ended 31 March 2021

#### 1. Legal Obligation

We are obliged by law to avoid a deficit on this Account and achieve this by keeping a working balance on the Account. This Account reflects the statutory obligation to account separately for the housing provision, in particular Schedule 4 of the Local Government and Housing Act 1989.

#### 2. Housing Stock

We were responsible for managing an average of 2,615 dwellings during 2020/21, consisting of the following:

2019/20		2020/21
1,367	Houses	1,354
647	Flats	628
617	Bungalows	617
<b>2,631</b>	<b>Total at 31 March</b>	<b>2,599</b>
	The change in stock was as follows:	
2,658	Stock at 1st April	2,631
(26)	less Sales	(16)
(1)	Demolitions	(20)
-	New Build	4
<b>2,631</b>	<b>Stock at 31 March</b>	<b>2,599</b>

#### 3. Assets held within the Housing Revenue Account

We hold assets within our HRA valued at £173.958 million as at 31 March 2021. The value of each type of asset and the split between operational and non-operational assets are set out below.

Balance as at 31 March 2020 £000	Asset Type	Balance as at 31 March 2021 £000
1,332	Land	2,753
147,781	Council Dwellings	165,571
108	Plant and Vehicles	252
5,302	Other Property	5,382
<b>154,523</b>	<b>Total</b>	<b>173,958</b>
105,872	Operational Assets – Dwellings	119,095
41,909	- Land	46,476
5,302	- Other Buildings	5,382
108	- Plant and Vehicles	252
1,332	Non-operational Assets	2,753
<b>154,523</b>	<b>Total</b>	<b>173,958</b>

The value of land within our housing stock is estimated to be approximately 30% of the total net book value held within the Council's Asset Register.

The vacant possession value of our housing stock, including the land element, is £406.835 million. This is different to the gross book value of the assets included within the balance sheet of £162.734 million which is based upon the continuing use of housing for social use. The difference between the two amounts is the economic cost of providing council housing at less than open market value.

#### 4. Major Repairs Reserve

Whilst in the National Housing Pool, we received a Major Repairs Allowance from the Government to be used for capital spending on HRA assets. This allowance was held within the Major Repairs Reserve. From April 2013 a contribution has been made from the HRA into the Major Repairs Reserve and the movement in the year is detailed below.

2019/20 £000		2020/21 £000
(1,536)	Balance as at 1 April	(1,536)
(2,853)	Transfer into Reserve – Depreciation	(2,952)
2,853	Transfer into Reserve – Appropriation	2,952
-	To finance Capital Expenditure – Houses	-
<b>(1,536)</b>	<b>Balance as at 31 March</b>	<b>(1,536)</b>

#### 5. Housing Repairs Reserve

The Housing Repairs Reserve exists to provide for repairs and maintenance to council dwellings. The movement on the fund in the year is £306,794 and is detailed below:

2019/20 £000		2020/21 £000
840	Balance as at 1 April	867
3,201	Contributions from HRA	3,222
(3,174)	Use of Fund	(2,915)
<b>867</b>	<b>Balance as at 31 March</b>	<b>1,174</b>

The contribution from the Housing Revenue Account is different to the repairs and maintenance figure in the HRA Income and Expenditure Statement due to the reversal of a pensions adjustment and the use of the repairs reserve balance.

#### 6. Earmarked Capital Reserve

The Earmarked Capital Reserve exists to be used for capital spending on HRA assets. The movement in the year is detailed below:

2019/20 £000		2020/21 £000
(3,653)	Balance as at 1 April	(2,465)
(2,924)	Contributions from HRA	(3,048)
(33)	Other Receipts	-
4,145	Use of Reserve	3,054
<b>(2,465)</b>	<b>Balance as at 31 March</b>	<b>(2,459)</b>

## 7. Capital Expenditure and Income

We undertake a programme of works in relation to our HRA property and, in 2020/21, spent £6,776,461 (£5,939,703 in 2019/20). This expenditure was used to fund work on council houses, garages and community centres of £4,798,166 (£5,269,092 in 2019/20) and new housing of £1,978,295 (£670,611 in 2019/20). Capital spending during the year has been paid for from a number of sources and these are shown below:

2019/20 £000	Source of Funding	2020/21 £000
(2,853)	Major Repairs Reserve	(2,952)
(903)	Capital Receipts	(1,580)
-	Capital Receipts – New Build	-
(1,937)	Earmarked Reserves	(1,717)
-	Section 106 Funding	-
(23)	Grants and Contributions	(292)
(224)	Capital Creditors	(235)
<b>(5,940)</b>	<b>Total</b>	<b>(6,776)</b>

## 8. Disposal of Assets

We dispose of HRA property through the Right to Buy scheme. We also dispose of other assets as opportunity sales. During 2020/21 capital income of £1,268,800 was received from the sale of 16 council houses (£1,927,400 for 26 houses and £123,500 from the sale of surplus land in 2019/20).

## 9. Depreciation

The HRA is charged with an amount to recognise the level of depreciation incurred in the year on its HRA assets. For 2020/21 the amount of depreciation charged is as follows.

2019/20 Operational assets £000		2020/21 Operational assets £000
2,768	Council Dwellings	2,856
85	Other Property	96
34	Vehicles	54
12	Plant & Equipment	12
<b>2,899</b>	<b>Total</b>	<b>3,018</b>

## 10. Revaluations / Impairment charges

There were no impairment charges during the year. Some land and properties held as investment assets increased in value by £3,530 (see note 12, page 28), however there were revaluation gains of £7.198 million on the Council's housing stock. In overall terms revaluation gains of £7.202 million were credited to the Surplus or Deficit on the Provision of Services in the Housing Revenue Account.

## 11. Pensions

The 2004 Code of Practice requires that retirement benefits within the HRA be accounted for in a similar way to that shown within the Consolidated Income and Expenditure Statement. Due to a lack of consensus, the latest guidance (provided in 2003/04) gave several alternative accounting treatments and left it to each Council to decide how to account for IAS 26 within the HRA.

It is our view, pending the receipt of any new guidance, that as the entries on the HRA are defined by statute, there should be no effect on the overall financial position of the HRA. However, as IAS 26 requires that all services show the Current Service Cost of the benefits earned by its employees in the year, the Housing Revenue Account has been charged with an amount of £197,462 to reflect the additional costs of those benefits. This has then been reversed out elsewhere within the account.

## 12. Gross Rent Income

This is the total rent income due for the year after allowances are made for voids etc. During the year 1.95% of lettable properties were vacant (1.57% in 2019/20). Average rents were £93.18 a week in 2020/21 (excluding service charges) on a 48 week basis, an increase of £2.68 or 2.96% over the previous year.

## 13. Rent Arrears

At 31 March 2021 the total rent in arrears was £232,423, which represents 2.03% of collectable rent income (2.10% in 2019/20). The rent arrears figures are detailed below: -

2019/20 £000		2020/21 £000
	Arrears at 31st March: -	
132	Present Tenants	100
106	Former Tenants	132
<b>238</b>	<b>TOTAL ARREARS</b>	<b>232</b>

The allowance for bad debts at 31 March 2021 was £176,916 (£162,409 at 31 March 2020). No debts were written off during the year (£9,655 written off in 2019/20) and an additional provision was made of £14,507 (£34,593 in 2019/20). In addition, the Council has increased the provision for the non collection of leaseholder service charges relating to maintenance works undertaken on leasehold properties by £3,936 (£7,471 decrease in 2019/20). The movement on the bad debt provision in 2020/21 is £18,443 (£27,122 in 2019/20).

## 14. Charges for Borrowing

The Housing Revenue Account repaid £2,000,000 of the long term borrowing it took out as part of the move to the Housing Self Financing system and £1,503,921 in interest payments on the borrowing still outstanding. Any short term borrowing needed to manage HRA cash flows during the year would be managed on a council basis, with a charge being made to the HRA for its share of the borrowing. The HRA did not require any short term borrowing in 2020/21.

## 15. Investment Income

We receive income from investments we hold during the year. The HRA contributes funds to these investments and receives a share of the income based upon the level of reserves held that relate to the HRA. For 2020/21 this amounted to £21,138 (£105,200 in 2019/20).

The HRA holds land at various locations in the Borough as investment assets. Revaluation of 4 parcels of land during the year showed an increase in the asset valuations of £4,400 (£417,400 increase in 2019/20 (3 parcels of land). In addition we hold 10 shared ownership properties in Thorncliffe Way, Cornish Close & Digby Road as investment properties. During the year there was a decrease in their valuations of £870 (£17,940 increase in 2019/20). The revaluations are included in the Interest and Investment income. This will not be realised unless the properties are sold, so it is reversed out in the adjustments between accounting basis and funding basis under statute in order to arrive at the Housing Revenue Account balance at the end of the year.

# North Warwickshire Borough Council

## The Collection Fund - Income and Expenditure Statement for the Year Ended 31 March 2021

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates (NDR).

2019/20 Council Tax £000	2019/20 NDR £000	2019/20 Total £000		2020/21 Council Tax £000	2020/21 NDR £000	2020/21 Total £000
40,718	-	40,718	<b>INCOME</b>	42,079	-	42,079
-	53,174	53,174	Income from Council Tax (net of benefits and transitional relief)	-	46,042	46,042
-	-	-	Income Collectable from Business Ratepayers	-	-	-
-	-	-	Cont's to previous years NDR deficits:	-	-	-
-	-	-	- Government	-	-	-
-	-	-	- North Warwickshire BC	-	-	-
-	-	-	- Warwickshire County Council	-	-	-
<b>40,718</b>	<b>53,174</b>	<b>93,892</b>		<b>42,079</b>	<b>46,042</b>	<b>88,121</b>
			<b>EXPENDITURE</b>			
29,808	-	29,808	Precepts and Demands-Council Tax :	31,318	-	31,318
4,746	-	4,746	- Warwickshire County Council	5,006	-	5,006
5,335	-	5,335	- Warwickshire Police Authority	5,540	-	5,540
39,889	-	39,889	- North Warwickshire BC	41,864	-	41,864
498	-	498	Distribution of Surpluses-Council Tax :	545	-	545
75	-	75	- Warwickshire County Council	87	-	87
93	-	93	- Warwickshire Police Authority	98	-	98
666	-	666	- North Warwickshire BC	730	-	730
,	26,057	26,057	Business Rate Payments:	,	28,776	28,776
,	20,846	20,846	- Government	,	23,021	23,021
,	5,211	5,211	- North Warwickshire BC	,	5,755	5,755
,	(62)	(62)	- Warwickshire County Council	,	98	98
,	109	109	Transition Protection payment to/(from) Government	,	111	111
-	52,161	52,161	Cost of collection	-	57,761	57,761
22	29	51	Bad and doubtful debts/appeals :	13	-	13
142	89	231	- Arrears Written Off	327	635	962
-	105	105	- Provision for uncollectable amounts	-	1,825	1,825
(1)	790	789	- Provision for Appeals	(855)	(14,179)	(15,034)
<b>40,718</b>	<b>53,174</b>	<b>93,892</b>	Increase/(Decrease) in Fund Balance	<b>42,079</b>	<b>46,042</b>	<b>88,121</b>
<b>MOVEMENTS ON THE COLLECTION FUND</b>						
653	11,258	11,911	Balance at 1 April	652	12,048	12,700
(1)	790	789	<b>Surplus/(Deficit) for the Year</b>	(855)	(14,179)	(15,034)
<b>652</b>	<b>12,048</b>	<b>12,700</b>	<b>Balance at 31 March 2020</b>	<b>(203)</b>	<b>(2,131)</b>	<b>(2,334)</b>

**Precepts and Demands on the Collection Fund  
(Council Tax)**

<b>Precept /Demand</b>	<b>Share of 31 March 2020 Surplus</b>	<b>2019/20 Total</b>	<b>Authority</b>	<b>Precept /Demand</b>	<b>Share of 31 March 2021 Surplus</b>	<b>2020/21 Total</b>
£000	£000	£000		£000	£000	£000
29,808	487	30,295	Warwickshire County Council	31,318	(152)	31,166
4,746	78	4,824	Warwickshire Police Authority	5,006	(24)	4,982
5,335	87	5,422	North Warwickshire Borough Council	5,540	(27)	5,513
<b>39,889</b>	<b>652</b>	<b>40,541</b>	<b>Total</b>	<b>41,864</b>	<b>(203)</b>	<b>41,661</b>

**NDR (Business Rates) on the Collection Fund**

<b>Business Rates 2019/20</b>	<b>Share of 31 March 2020 Surplus</b>	<b>2019/20 Total</b>	<b>Authority</b>	<b>Business Rates 2020/21</b>	<b>Share of 31 March 2021 Deficit</b>	<b>2020/21 Total</b>
£000	£000	£000		£000	£000	£000
20,846	4,819	25,665	North Warwickshire Borough Council	23,021	(852)	22,169
5,211	1,205	6,416	Warwickshire County Council	5,755	(213)	5,542
26,057	6,024	32,081	Government	28,776	(1,066)	27,710
<b>52,114</b>	<b>12,048</b>	<b>64,162</b>	<b>Total</b>	<b>57,552</b>	<b>(2,131)</b>	<b>55,421</b>

## Notes to the Collection Fund for the year ended 31 March 2021

### 1. Council Tax

Council Tax is calculated by estimating the amount of income required from the Collection Fund by the Borough Council, Warwickshire County Council and Warwickshire Police Authority for the forthcoming year and dividing this by the council tax base.

The council tax base is the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings. For 2020/21 the base was calculated as follows:

Band	Estimated number of taxable properties after effect of discounts	Ratio	Band D equivalent Dwellings
A	4,453.82	6/9	2,967.55
B	5,682.33	7/9	4,419.59
C	5,362.78	8/9	4,766.91
D	3,529.62	9/9	3,529.62
E	2,295.68	11/9	2,805.83
F	1,204.44	13/9	1,739.75
G	684.08	15/9	1,140.13
H	65.81	18/9	131.62
			21,501.00
Less adjustment for collection rates and for anticipated changes during the year for successful appeals against valuation banding.			98.00%
<b>COUNCIL TAX BASE 2020/21</b>			<b>21,071.07</b>

On the basis of an average £1,939.14 council tax rate throughout the North Warwickshire Borough Council area, the original estimated council tax income was £40.860 million (£1,939.14 x 21,071.07). The actual income received, was higher than the estimated due to changes in individual circumstances.

### 2. Income from Business Rates

We collect business rates for the North Warwickshire area, which are based on local rateable values multiplied by a national non-domestic rate specified by the Government. From April 2013 we divide the rates collected between the government (50%), this council (40%) and Warwickshire County Council (10%). As our assessed need is lower than our share of the business rates, we pay the difference to the government as a tariff. If additional rates are collected in year they are allocated in the proportions shown above. This Council then pays a levy on our share of the additional rates. If we collect less, we stand the shortfall, up to a specified amount.

The rates to be collected can change during the year as the circumstances of individual businesses alter. Unless significant, all changes which occurred after 28th March 2021 are accounted for in the following year to allow the system to be rolled forward and future bills prepared. We were notified of decreases of £1,400 after the 28th March 2021, due to changes to the valuations of properties, which will be included within the 2021/22 accounts.

The total non-domestic rateable value at the year-end was £121,572,327 (£118,646,417 in 2019/20). The national non-domestic rate for small businesses was 49.9 pence (49.1 pence in 2019/20) and the rate for other businesses was 51.2 pence (50.4 pence in 2019/20).

# Statement of Accounting Policies

## 1. General Principles

The Statement of Accounts summarises the Council's transactions for the 2020/21 financial year and its position at the year end of 31 March 2021. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations England 2015, which require those statements to be prepared in accordance with proper accounting practices. These practices under section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Council's Financial Statements have been prepared on a going concern basis, that is, the accounts are prepared on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The recent impact of the coronavirus pandemic on this assumption has been assessed and this is set out in Note 41 to the Statements.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

## 2. Accruals of Income and Expenditure

We record all revenue and capital transactions over £250 on an accruals basis. This means that the activity is accounted for in the year that it takes place, not when cash payments are actually made or income is actually received. Where there is no cash transaction a debtor or creditor for the relevant amount is included in the balance sheet. These are shown within the current assets and current liabilities sections of the Balance Sheet respectively. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Amounts less than £250 are included in the accounts when cash payment is made or income is received. In addition, electricity and other similar quarterly payments are charged at the date of meter reading rather than apportioned between financial years. This policy is consistently applied each year so it does not have a material effect upon the year's accounts.

Business Rate and Council Tax Prepayments, together with grants received in advance for schemes where we are acting as the Accountable Body are shown within creditors.

Supplies are included as expenditure when they are used. Where they have been received but not used, they are carried as inventories on the balance sheet. Similarly works are charged as expenditure when they are completed. Any work that is incomplete at the year end is also included on the balance sheet as inventories.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

### **3. Cash and Cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

### **4. Charges to Revenue for Non-Current Assets**

We charge services for all the assets they use to provide their services. The charges cover:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off
- Amortisation of intangible assets used by services.

We are not required to raise council tax to cover depreciation, revaluation and impairment losses and amortisation. However, we are required to make an annual provision from revenue towards reducing our borrowing requirement equal to an amount calculated on a prudent basis in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are replaced by the contribution in the General Fund balance (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two, so that Council Tax is unaffected.

### **5. Employee Benefits**

#### Benefits Payable during Employment

Short term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which the employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the year in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or, an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service, service segment or where applicable to a corporate service segment, at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

### Post Employment Benefits

Employees of the Council are members of the Local Government Pension Scheme, administered by Warwickshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefit scheme:

- The liabilities of the Warwickshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc. and projections of projected earnings for current employees.
- Scheme liabilities are discounted to their value at current prices using a discount rate of 3.5% which is based on market yields at the balance sheet date on high quality corporate bonds.

The assets of the Warwickshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unitised securities – current bid price
  - Property – market value.
- The change in the net pension liability is analysed into the following components:
    - Service cost comprising:
      - current service cost – the increase in liabilities as a result of a year's service earned this year, which is allocated in the Comprehensive Income and Expenditure Statement to the services for which the employee worked.
      - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
      - interest cost - the expected change in the present value of liabilities during the year as they move one year closer to being paid, which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Re-measurements comprising:

- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return, which is credited to Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- actuarial gains and losses – changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, which are debited to the Actuarial gains and losses on pension assets and liabilities line in the Comprehensive Income and Expenditure Statement.
- contributions paid to the Warwickshire Pension Fund – cash paid as employer's contributions to the pension fund in settlements of liabilities; not accounted for as an expense.

The surplus/deficit of the scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities.

For retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pensions fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Since 2007, the Council has had a policy of not awarding any discretionary benefits to employees taking early retirement.

## **6. Events after the Reporting Period**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting year and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting year – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting year – the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## **7. Exceptional items**

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the statement, depending on how significant the items are to an understanding of the Council's financial performance.

## **8. Prior Year Adjustments, Changes in Accounting Policies and Estimates and Errors**

Prior year adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior year adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effects of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior year as if the new policy had always been applied.

Material errors discovered in prior year figures are corrected retrospectively by amending opening balances and comparative amounts for the prior year.

## **9. Financial Instruments**

### Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For all of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

### Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The Authority holds financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI) [separate accounting policy is required where an authority holds financial instruments at fair value through other comprehensive income].

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

## Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

## Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

## Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

## **10. Government Grants and Other Contributions**

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Money advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance sheet as creditors (in Capital Grants / Contributions Received in Advance). When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is held in the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## **11. Intangible Assets**

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are included on the balance sheet initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost.

We gradually reduce the value of intangible assets, such as software licences over their useful life (up to 10 years). However, rather than being called depreciation, we refer to this as amortisation. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or

abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **12. Inventories**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value and are simply valued at cost based on a first in, first out basis. Work in progress on incomplete jobs is valued at cost, including an allocation of overheads.

## **13. Investment Property**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **14. Leases**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant and equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings element are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

## The Council as a Lessee

### *Finance Leases*

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- A finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the assets estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### *Operating Leases*

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from use of the leased property, plant and equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent free period at the commencement of the lease).

## The Council as a Lessor

### *Operating Leases*

Where the Council grants an operating lease over a property, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## 15. Overheads and Support Services

The costs of overheads and support services are charged to those areas that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received with the exception of:

- Corporate and Democratic Core – costs relating to the Council's status as a multi-functional, democratic organisation
- Non Distributed Costs – the costs of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets for Sale.

## 16. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an assets potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. We only include individual pieces of land and buildings that exceed £10,000, and plant and equipment that exceed £5,000 in our asset register.

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price
- Any cost attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (if this is appropriate).

The cost of assets acquired other than by purchase is deemed to be at fair value unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- **Infrastructure assets, community assets and assets under construction** - depreciated historical cost. Where this is not known for community assets, a nominal value of £1 has been included.
- **Council dwellings** – current value, determined using the basis of existing use value for social housing (EUV – SH). The ‘Beacon’ method has been used whereby “typical” properties are valued and the remaining similar houses in the area are assessed based on this beacon.
- **Surplus assets** – the current value measurement base is fair value, estimated at highest and best use from a market participant’s perspective.
- **All other assets** – current value, determined as the amount that would be paid for the asset in its existing use (existing use – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimated of current value.

Where there are non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service).

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### Impairment

Assets are assessed at each year end to see if there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is subsequently reversed, the reversal is credited up to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and community land assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of the asset, as advised by a suitably qualified officer
- Infrastructure – straight line allocation over the useful life of the asset, as advised by a suitably qualified officer

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. This has only been applied to enhancement and acquisition expenditure incurred from 1 April 2010 and to revaluations carried out from that date, in line with the requirements of the Code of Practice.

Revaluation gains on assets are also depreciated with an amount equal to the difference between the current value depreciation and the historical value depreciation transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned the carrying amount of the asset in the Balance Sheet (whether Property, Plant or Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Income above £10,000 received from the sale of assets is treated as a capital receipt. In general terms we have to pay 75% of Council House sales and 50% of other housing receipts over to the Government. We have entered an agreement with the Government, which will allow us to use some of the receipts received from additional council house sales as a result of the relaxation of Right to Buy regulations, to fund new build properties. With some disposals we are allowed to retain all of the income if we plan to spend it on regeneration or affordable housing. The balance of the receipt remains within the Usable Capital Receipts Reserve and can then only be used for new capital spending or can be set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are transferred to the Reserve from the General Fund Balance in the Movement in Reserves Statement. We do not need to pay over any income from the sale of General Fund assets and this can be fully used for capital spending.

The written-off value of disposals is not a charge against council tax, as the cost of property, plant and equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **17. Provisions, Contingent Liabilities and Contingent Assets**

### Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the

relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

#### Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

#### Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

### **18. Reserves**

We set aside specific amounts as earmarked reserves, for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back to the General Fund Balance in the Movement in Reserves Statement on page 12 and note 6 to the financial statements so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the Movement in Reserves Statement on page 12 and note 23 to the financial statements.

### **19. Revenue Expenditure Funded from Capital under Statute**

Statutory provisions allow us to spend capital funds on assets that are not owned by this Council, such as grants for private sector housing. The expenditure is charged to the relevant service in the Comprehensive Income and Expenditure Statement in the year it is incurred. Where the Council has determined to meet the cost of this expenditure from existing capital resources, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged, so there is no impact on the level of council tax.

### **20. Value added tax (VAT)**

Generally all VAT collected is excluded from income, as it is payable to Her Majesty's Revenues and Customs. All VAT paid is recoverable from them, so VAT is included within

the accounts only to the extent that it is irrecoverable and therefore charged to service expenditure or capital expenditure.

## **21. Heritage Assets**

The Council's Heritage Assets relate to the office of the Mayor. Civic regalia are reported in the balance sheet based on the insurance valuation of the items and also the market price of gold. These insurance valuations are updated annually. Any impairment recognised would be measured using the cost incurred in repairing the asset(s).

## **22. Council Tax and Non-Domestic Rates**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The balance sheet includes the council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances are identified as impaired, due to a likelihood that payments will not be made, the asset is written down and a charge made to the Financing and Investment line in the Consolidated Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WARWICKSHIRE  
BOROUGH COUNCIL**

## Glossary of Terms

<b>ACCRUALS</b>	Income and expenditure that is recognised as it is earned or incurred rather than as the money is actually received or paid.
<b>ACTUARIAL GAIN / LOSS</b>	For assets, actuarial gains or losses happen when the actual return on investments in the pension fund is different from the expected return. For liabilities, actuarial gains and losses happen when the actual liability is different from the expected liability. For assumptions, actuarial gains and losses happen as a result of changes to the population or financial assumptions the actuary uses to work out the liability. Liabilities are valued in terms of 'today's money'.
<b>AMORTISATION</b>	The drop in value of intangible assets as they become out of date.
<b>ASSET</b>	An item, which is intended to be used for several years such as a building or a vehicle.
<b>BUDGET</b>	A statement of a Council's plans for expenditure over a specified period of time.
<b>BUSINESS RATES (Non-domestic rates – NDR)</b>	Businesses pay these rates instead of council tax. Each year, the Government sets the rate in the pound and business rates are collected by the billing authority in that area. The rates are then distributed to Central Government, Warwickshire County Council and this Authority.
<b>CAPITAL CHARGES</b>	A charge to service revenue accounts to reflect the cost of property, plant and equipment used in the provision of services.
<b>CAPITAL EXPENDITURE</b>	Expenditure on property, plant and equipment (operational, non-operational, community and infrastructure), which give a benefit over a longer period than a financial year. It includes expenditure on land, buildings, vehicles, etc.
<b>CAPITAL RECEIPTS</b>	Income from the sale of Council assets, e.g. land and buildings.
<b>CENTRAL SUPPORT SERVICES</b>	The cost of central departments, which are apportioned over the various services.
<b>CIPFA (CPFA)</b>	The Chartered Institute of Public Finance and Accountancy
<b>COMMUNITY ASSETS</b>	Assets that the Council intends to hold in perpetuity, that do not have a finite life and may have restrictions over their disposal (e.g. Parks and Woods).
<b>CONTINGENCY</b>	A situation that exists at balance sheet date where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.
<b>CORPORATE AND DEMOCRATIC CORE COSTS</b>	Spending relating to the need to co-ordinate and account for the many services we provide to the public.
<b>CREDITORS</b>	Amounts owed by the Council for work done, goods received or services rendered, but for which payment has not been made at the date of the balance sheet.

<b>CURRENT ASSETS</b>	Short-term assets, which constantly change in value such as stocks, debtors and bank balances.
<b>CURRENT LIABILITIES</b>	Short-term liabilities, which are due to be paid in less than one year, for example, creditors and bank overdrafts.
<b>CLG</b>	Department for Communities and Local Government.
<b>DEBTORS</b>	Sums of money due to the Council but unpaid at the date of the balance sheet.
<b>REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE</b>	Spending on assets that have a lasting value, such as buildings, which we do not own.
<b>GOVERNMENT GRANTS</b>	Payments made by the government towards the cost of local council services. These are either for particular services or purposes (specific grants) or to fund local services generally (revenue support and area based grant).
<b>GROSS EXPENDITURE</b>	The cost of providing the Council's services before allowing for Government grants or other income.
<b>HERITAGE ASSETS</b>	For us, these are assets that are used by the Office of the Mayor.
<b>HOUSING BENEFITS</b>	A system of financial assistance towards certain housing costs, e.g., Rent Rebates, which are administered by the local council.
<b>HOUSING REVENUE ACCOUNT (HRA)</b>	The account which shows all the income and expenditure incurred in the management and maintenance of the Council's housing stock.
<b>IMPAIRMENT</b>	This is a reduction in an asset value due to physical damage, obsolescence or a decline in its market value.
<b>INFRASTRUCTURE ASSETS</b>	These are inalienable assets, expenditure which is recoverable only by continued use of the asset created (e.g. street lighting, tidy bins, and footpaths).
<b>INTANGIBLE ASSETS</b>	Spending on assets that cannot be physically seen, such as computer software.
<b>INVESTMENT PROPERTIES</b>	These are properties that are used solely to earn rentals and / or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.
<b>MINIMUM REVENUE PROVISION (MRP)</b>	The amount that we have to set aside each year to repay loans.
<b>NET EXPENDITURE</b>	This is the cost of providing a service after the deduction of specific government grants and other income, excluding Revenue Support Grant and Precept income.
<b>NDR</b>	Non Domestic Rates (see Business Rates).

<b>NON-OPERATIONAL ASSETS</b>	These are assets that are not directly occupied, used or consumed in the provision of service by the Council (e.g. Land awaiting development, industrial units, and shops).
<b>OPERATIONAL ASSETS</b>	These are assets held, occupied, used or consumed by the Council in the direct provision of the services for which it is responsible (e.g. Council Dwellings, Leisure Centres and Council Offices)
<b>POOLED BUDGETS</b>	This refers to services operated by the Council in conjunction with other local authorities, for example, the Building Control Service.
<b>PRECEPT</b>	The amount each Council in the area asks us to collect from council tax on their behalf each year.
<b>REVENUE CONTRIBUTIONS TO CAPITAL EXPENDITURE</b>	The financing of capital expenditure directly from revenue.
<b>REVENUE EXPENDITURE</b>	Spending on the day-to-day running of services, mainly staff, running expenses of buildings and equipment and debt charges.
<b>SOLACE</b>	Society of Local Authority Chief Executives
<b>SORP</b>	Statement of Recommended Practice.
<b>TEMPORARY LOANS</b>	Money borrowed for an initial period of less than one year.
<b>UK GAAP</b>	UK Generally Accepted Accounting Practice

# **NORTH WARWICKSHIRE BOROUGH COUNCIL**

## **2020/21 Annual Governance Statement**

### **Executive Summary**

#### **Responsibility for Governance**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. To do this, it puts arrangements in place for the governance of its affairs, which include arrangements for the management of risk.

The Council also has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance Statement.

#### **Commitment to Review Governance Arrangements**

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of its effectiveness is informed by:

- the work of the Senior Management Team and other managers within the Authority who have responsibility for the development and maintenance of the governance environment;
- work carried out by Internal Audit;
- comments made by the external auditors, Ernst & Young plc, in their annual audit letter and other reports. The external auditors also comment on the value for money achieved by the Council, as part of their opinion on the financial statements;
- feedback from other review agencies and inspectorates;
- the results of user surveys and feedback from residents; and
- feedback from Service Boards and Member Groups.

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. As part of that review, work has been undertaken by the Council's statutory officers.

Service Boards use Task and Finish Groups or Working Groups to review and scrutinise individual areas, such as Health and Wellbeing.

#### **Overall Opinion on the Level of Assurance Provided by Governance Arrangements**

The Annual Governance Statement has confirmed that the controls in place have largely continued to operate as intended. There are a few areas where alternative controls were introduced on a temporary basis as part of management arrangements during the pandemic. Where these have resulted in process improvements, they will be incorporated into normal procedures. Otherwise, we will return to previous controls and processes as we return to more normal conditions.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within the Council to ensure an effective internal control environment is maintained.

**Significant Governance Issues Identified**

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

These include:

- Compliance with the Financial Management Code;
- Restarting our staff appraisal process and continuing to progress workforce planning;
- Resuming the use of internal working groups, suspended during the pandemic, where appropriate;
- The continued use of virtual meetings where appropriate and efficient;
- The provision of additional detail on risk management to Resources Board;
- A review of the revised corporate plan and performance indicators.



**Signed:**.....  
Leader of the Council



**Signed:**.....  
Chief Executive

## Introduction

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website.

## Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risks at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

## Council Structure and Corporate Governance

The Council operates using a Committee system. This involves a number of Service Boards/Committees, responsible for specific areas of activity, which report back to the full Council. This meeting cycle of Board and Council meetings normally runs five times throughout the year. The remit and responsibilities of the Boards and Committee are set out in the Constitution of the Council, and include:

- Executive Board
- Resources Board
- Community and Environment Board
- Planning and Development Board
- Licensing Committee.

We have a number of ways that concerns of any kind can be raised, by employees, Members of the Council or the public. These include Confidential Reporting arrangements and complaint procedures. Any concerns will be followed up by trained investigators and action will be taken in proven cases.

The Council has approved Anti-Fraud and Anti-Money Laundering Policies. We take fraud of any kind seriously, and our first aim is to prevent opportunities for fraud to occur, by building sufficient controls into systems and procedures. The Council also contributes to National and Regional Fraud Initiatives using data matching techniques.

## Statutory Officers

All local authorities are required by law to have officers who fulfil three specific roles. At North Warwickshire Borough Council, these roles are carried out by the following post-holders within the Council:

- The Head of Paid Service – Chief Executive
- The Chief Financial Officer (CFO) – Corporate Director Resources
- The Monitoring Officer – Head of Legal Services (the Corporate Director Streetscape took this role between October 2019 and June 2020)

The Head of Paid Service leads and takes responsibility for the running of the local authority on a day to day basis. The role requires the Chief Executive to work closely with elected Members to ensure

strong and visible leadership and direction, ensure staff adhere to the strategic aims of the Authority and follow the direction set by elected Members. The Chief Executive acts as the principal policy advisor to elected Members, delivers the political objectives set by elected Members, leads and develops strong partnerships across the local community to achieve improved outcomes and better public services for local people, and oversees service development and all aspects of management within the Council.

The Chief Financial Officer must be a member of a specified accountancy body. The CFO is responsible for the proper administration of the Council's financial affairs and has specific legislative responsibilities, as he/she has a fiduciary responsibility to the local taxpayer. The CFO's duties include a requirement to report to all the local authority's members, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

The Monitoring Officer effectively acts as the guardian of the Council's constitution and the decision making process. He/she is responsible for advising the Council on the legality of its decisions and providing guidance to elected Members on the Council constitution and its powers. He/she has the specific duty to ensure that the Council, its Officers and its elected Members maintain the highest standards of conduct in all that they do. This includes: reporting to the Council if a decision is unlawful or amounts to maladministration, maintaining Registers of Interests, and arranging for investigations into any matters or complaints referred to the Standards Committee.

### **Management Team**

Two of the statutory officers, the Head of Paid Service and CFO, are members of the Senior Management Team of the Council and the third statutory officer attends as required. The Corporate Director Streetscape is also a member of the Senior Management Team which meets on a weekly basis.

The Council also had three Service Directors for the majority of the year covering: Corporate Services, Housing Services and Leisure and Community Development. These Directors, together with the Senior Management Team and the Head of Development Control, make up the Extended Management Team, who meet on a monthly basis. The Director of Corporate Services post was taken out of the establishment in February 2021. The Head of Legal Services attends meetings of the Extended Management Team.

### **Standards**

The Council expects its Members and officers to maintain appropriate standards of conduct and behaviour. These are set down in codes of conduct, standing orders, financial regulations, policies and processes, which are regularly reviewed. Compliance is monitored on an ongoing basis, and supplemented by information through the complaints and compliments procedure and confidential reporting policy.

Both Members and officers are required to declare gifts and hospitality received, for inclusion on the register of interests maintained by the Monitoring Officer throughout the year.

### **Performance Management**

The Council assesses the needs of the area through the Sustainable Community Strategy process and work with the North Warwickshire Community Partnership. The Corporate Plan is approved before the start of each year and identifies the headline targets for the coming year, which are supported by greater detail within individual service plans. Services are monitored and discussed on a monthly basis at Extended Management Team meetings.

All members of the senior management team contribute actively to cross organisational issues and to corporate decision making to match resources to the authority's objectives. The CFO and monitoring

officer provide financial and legal advice and support to elected representatives to inform their decision making.

Normally progress against Corporate Plan targets is reported to senior managers, Management Team and to service boards on a quarterly basis, along with performance indicator information. A final position is collated at the end of the year, which is again reported to Members and is also published on the Council's website. Reduced reporting took place in some areas during 2020/21, due to the need to set up our on line capability to hold virtual meetings. Instead information was reported on a half yearly basis. Members did take the opportunity to update the format of the Corporate Plan for 2021/22.

As well as monitoring achievement of identified outcomes, the Council wants to ensure that an excellent quality of service is provided. It ensures this in a number of ways: obtaining user feedback, through independent inspection and audit and through system reviews. The Council takes part in Peer Challenge reviews periodically. Peer challenges are improvement-focussed and tailored to meet individual councils' needs, to complement and add value to a council's own performance and improvement focus. During March 2021 the Council took part in a virtual LGA facilitated Recovery Panel review.

Obtaining traditional customer feedback was not appropriate, but general feedback on the Council was obtained in different ways. Although contact with vulnerable residents was primarily aimed at providing support, some feedback was received on council services during calls to residents. Feedback through the complaints and compliments process was reviewed as normal.

## **Information Management**

Information management is a key concern for the Council, with all Members and officers having responsibilities for its governance. To ensure compliance with the General Data Protection Regulations, the Council has a Data Protection Officer and a Senior Information Risk Owner.

The Council's Data Protection Officer provides policies, training and guidance to ensure compliance with legislation, and investigates any breaches or suspected breaches that may arise. It is mandatory for all employees to complete an e learning module on data protection issues. Employees are required and encouraged to report suspected breaches, so that processes can be improved.

The Senior Information Risk Owner is responsible for implementing a risk assessment programme and advising the Executive Board of the effectiveness of the Council's information risk management procedures. Requirements for information management are set out in the Council's Information Security Policy. The effectiveness of the Council's arrangements is normally tested annually through a cyber essential assessment, but this did not take place in 2020/21 due to the pandemic. However, the Council's servers were updated during the year, with the aim of reducing the risk of cyber attacks. In addition, the Council is now actively working with the Warwickshire LRF Cyber Resilience Working Group.

## **Financial Management**

The Chief Financial Officer is responsible for the proper administration of the Council's financial affairs. In England, the CFO has a statutory duty to report to the authority at the time the budget is considered and the council tax set, on the robustness of the budget and the adequacy of financial reserves. With regard to capital spending, there is a statutory requirement to set and arrange the Council's affairs to remain within limits for borrowing and capital investment.

The CFO must also be proactive in the management of change and risk, be focussed on outcomes and help to resource the authority's plans for change and development in the public services it provides.

The Council has comprehensive forecasting and budgeting procedures. A medium term business and financial planning process is used to deliver the authority's strategic objectives, including:

- A 30 year Business Plan for the Council's housing stock to ensure ongoing viability, which is reviewed annually;
- A Medium Term Financial Strategy to ensure sustainable finances for all other Council services, which is updated twice a year, in February and September;
- A Capital Strategy which is updated annually;
- A 3 year capital programme and a 10 year capital projection, which are updated annually;
- A Treasury Management and Investment strategy, which is updated annually; and
- A monitoring process that enables this to be delivered.

Financial information is generally provided on a monthly basis to the Management Team, and three times during the year to each Service Board. Periodic and annual reviews of financial reports indicate financial performance against forecasts for all of the Council's spending. Summary information is also published. Although taking a different format during 2020/21, financial updates were discussed regularly at Management Team. Service Boards received financial monitoring reports, and the MTFS was updated in September in line with usual practice.

Financial Regulations and Contract Standing Orders are in place, for use by all Members and Officers. These ensure there is effective use and control of resources, and robust and transparent decision making. The Financial Regulations were reviewed during the year.

The CFO ensures that the Council's financial management arrangements conform to the governance requirements of the CIPFA Standard. This includes ensuring that all members of the Senior Management Team have the financial capabilities necessary to perform their respective roles. The CFO also accesses expert advice on specific areas such as Treasury Management and VAT, as required.

## **Risk Management**

There are risks involved with the provision of any services, so the Council uses a system of risk management to minimise and manage the risks it faces. It does this by identifying both strategic and operational risks, looking at existing controls in place to reduce these, and amending these or bringing in new controls where this is beneficial.

The system involves an annual review of strategic risks by the Senior Management Team and an annual review by senior managers of operational risks in their service areas. This enables all Senior Managers to complete Annual Statements of Assurance, and to identify actions that are needed to manage risk in the coming year, including the identification of any new risks.

The annual report for 2019/20 was provided during the year, and included information on the strategic risks for 2020/21, as well as the more significant operational risks. Risks are reviewed corporately part way through the year, and specific checking is carried out during the year by the Internal Audit section, as part of their audit work. The Resources Board normally receive a mid year update on risk management activity, but this did not happen in 2020/21 due to the pressures of the pandemic.

As part of our risk management, the Council has insurance in place to cover the risk of loss. The levels of cover and the excess amounts are kept under continual review.

## **Internal Audit**

A key feature of regulations the Council needs to comply with is the requirement for internal audit. A local authority must maintain an adequate and effective system of internal audit of its accounting records and its system of internal control. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council's Internal Audit team has demonstrated compliance with the Public Sector Internal Audit standards. The team use a risk based approach to formulate audit plans and determine the scope of audit reviews.

The Council has a zero tolerance to all forms of fraud and corruption, and employs a counter fraud officer who works closely with the Revenues, Benefits and Housing teams to identify, deter and prevent all forms of fraud. We also have a joint working agreement with the Department for Works and Pensions.

### **Responsibilities of Officers and Members**

The Council ensures that it is operating efficiently by specifying the different roles and responsibilities of both Councillors and Officers. The remit of each decision making Board is set down in the constitution, along with the roles of individual Councillors. The Council does not have an Audit Committee, but instead divides the core functions between the Executive Board and the Resources Board. The constitution also outlines the responsibilities of senior officers, and areas where they have been given delegated powers. Employee contracts include job descriptions, and these give the detail of individual roles, for all employees.

The Council uses workforce planning to identify future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery. Recruitment difficulties in some service areas had highlighted the need to review and update workforce plans. Although work was undertaken in some areas, this was not progressed fully across the Council due to pressures arising from the pandemic.

The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. The appraisal system is also used to assess the training and development needs of individual employees, and ensure that they have the skills and abilities to carry out the tasks required. Appraisals were generally suspended for the year, due to other pressures. However team meetings continued to monitor performance. Staff surveys were used to gauge the impact of the revised working arrangements on staff and identify potential barriers to performance. Normal communication methods were supplemented by the use of additional electronic mediums.

Induction training is carried out whenever a new Member is elected. After that, Member training is generally identified by individuals, or in response to issues that arise. An exception to this is the area of planning, as increasing changes in planning laws and regulations have resulted in fairly regular sessions being arranged.

### **Impact of Covid on the Council and its Governance Arrangements**

The Council had to adapt to the restrictions of Covid with regard to its working arrangements. Office based staff moved to home working where possible, and as quickly as additional IT equipment could be procured. New processes were introduced within the offices, in order to comply with Covid guidance issued and protect those staff who needed to be in. New procedures were also introduced for front line services, to enable social distancing wherever possible and to ensure appropriate PPE was available and used. Arrangements were revised during the year for some front line services, as lock down arrangements varied.

Alternative control measures were used wherever possible, for example, physical authorisation of documents were replaced by an agreed electronic procedure. In some areas, an alternative control was used, such as the replacement of Health and Safety Group meetings by the Emergency Management Team meeting held on a weekly basis. However some controls were affected, with a reduction in reporting during the early part of the pandemic whilst work was undertaken to enable virtual Board and Council meetings.

The Council provided a number of additional services during the year, ranging from support for the Clinically Extremely Vulnerable (CEV's) at the start of the lockdown, the administration of business grants throughout the year, advising businesses on required Covid measures and assisting with the enforcement of business closures.

The Council suffered a significant financial impact as a result of the pandemic. Some service costs increased significantly due to new working arrangements, and although it was possible to reduce some other costs, there was still an overall increase. The larger impact came as result of lost income. Whilst some government funding was received in compensation, the Council still had a shortfall.

CIPFA brought out a Financial Management Code in October 2019. Local Authorities were required to comply with the Code from April 2021, with 2020/21 used to supplement any shortfalls against the Code. As a result of the additional work due to the pandemic, the planned review against the Code was not completed in 2020/21. The difficulties posed by the pandemic have been recognised and whilst CIPFA still require compliance with the Code, it has been accepted that full compliance from 1 April may not be achievable. Instead, a plan to achieve full compliance during the year should be implemented.

### **Evaluation of the Effectiveness of Governance Arrangements**

Progress has been made with the implementation of the Corporate Governance Action Plan approved last year:

- The style and format of the Corporate Plan has been updated to highlight the priorities of the Council, and this has been agreed for the 2021/22 Corporate Plan;
- Procedures were set up to enable virtual meetings of Boards and the Council. These were monitored throughout the year, to ensure compliance with legislation;
- Communication with residents and service users was undertaken through a variety of mediums, to ensure it was effective;
- The new Head of Legal Services post was filled from June 2020, providing an increase in legal resource for the Council and strengthening governance arrangements. Work to review and update the constitution progressed;
- The Council's financial position was kept under review, with information provided to the government on a regular basis and claims for income compensation made where possible;
- Workforce planning continued with rationalisation in some areas. Changes in a number of areas were agreed by Special Sub Group and Council as necessary.

The challenges of the last year have been considered in reviewing the governance arrangements of the Council. Although there was a reduction in the frequency of some monitoring reports, it is considered that sufficient were provided to Service Boards to allow them to monitor activity. Management Team provided corporate monitoring across the organisation as an alternative to some officer working groups. A few areas did not receive the same level of attention they would have been given under normal circumstances, for example, transport was not reviewed in the same level of detail.

The assessment against the Financial Management Code was completed by the end of 2020/21, requiring an action plan to achieve any shortfalls against the Code. This will need to be produced and achieved during 2021/22.

Whilst there was a reduction in the volume of internal audit work carried out, due to both the restrictions of the pandemic and a reduction in staff resources, the Head of Internal Audit considers that sufficient work was undertaken to provide an opinion on the Council's control environment. The work undertaken by Internal Audit has enabled the Head of Internal Audit to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda.

**Agenda Item No 8**

**Executive Board**

**27 November 2023**

**Report of the Chief Executive**

**Adoption of Dordon  
Neighbourhood Plan**

**1 Summary**

- 1.1 This report informs Members of the progress of the Dordon Neighbourhood Plan and seeks approval to adopt in accordance with section 16 of the Neighbourhood Planning (General) Regulations 2012.

**Recommendation to Full Council:**

**That the Dordon Neighbourhood Plan be adopted and form part of the Development Plan for North Warwickshire.**

**2 Consultation**

- 2.1 Councillors Wright and Gosling have been sent a copy of this report for comment. Any comments received will be reported verbally at the meeting.

**3 Background**

- 3.1 The Localism Act 2011 introduced a mechanism for local communities to produce neighbourhood plans. Once a neighbourhood plan is 'made' (adopted) it becomes part of the statutory development plan for that area and will be used, alongside local and national planning policy and guidance, to determine planning applications. There are now 12 designated Neighbourhood Plan areas within the Borough and 7 made Neighbourhood Plans.

**4 Dordon**

- 4.1 Dordon is the 8th Neighbourhood Plan to be formally examined by an Independent Examiner and go forward to referendum. There is a requirement that more than 50% of those who vote must support the document for the Borough Council to consider adopting the Plan.

- 4.2 The referendum took place on Thursday 19<sup>th</sup> October 2023 and the results are as below:

<b>Question: Do you want North Warwickshire Borough Council to use the Neighbourhood Plan for Dordon to help it decide planning applications in the neighbourhood area?</b>	<b>Votes Recorded</b>
Number cast in favour of a <b>Yes</b>	299
Number cast in favour of a <b>No</b>	33

- 4.3 There is clearly good support for the Plan. Therefore, it is recommended to Full Council that the Plan be made (adopted) and becomes part of the Development Plan for the Borough. The Plan submitted for Adoption can be seen at Appendix A.
- ...

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

- 5.1 The Borough Council can claim £20,000 for each Neighbourhood Plan – the money can be applied for when a decision statement is issued detailing their intention to send the plan to referendum. This payment recognises the amount of officer time supporting and advising the community in taking forward a Neighbourhood Plan. It will also cover the cost of the referendum.

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

- 5.2.1 The Borough Council has conformed with the legal requirements for holding a referendum as to whether a Neighbourhood Plan should be made for Dordon. Where more than half those voting in the referendum voted in favour of the Neighbourhood Plan the Borough Council is under a legal duty to make it unless doing so would be incompatible with any retained EU obligation or with any rights under Human Rights Act. There is nothing to indicate that either applies in this case and the Borough Council is therefore now legally obliged to make the Neighbourhood Plan. This must be done within 8 weeks of the date on which the referendum was held unless there is an outstanding legal challenge to the Plan, meaning that the Council has until 14<sup>th</sup> December 2023 to do so unless a challenge is made in the meantime.

## **5.3 Human Resources Implications**

- 5.3.1 Staff time is expected to be provided by the Borough Council to support and advise the Parish Council and community in taking forward a Neighbourhood Development Plan.

## **5.4 Environmental and Sustainability Implications**

- 5.4.1 Each Neighbour Plan will need to consider the effects of the Neighbourhood Plan's contents in terms of environmental and sustainability issues in accordance with the relevant regulations.

## 5.5 Links to Council's Priorities

5.5.1 The designation of the Neighbourhood Plan Designation Area will have links to the following priorities:

1. Enhancing community involvement and access to services
2. Protecting and improving our environment
3. Defending and improving our countryside and rural heritage

The Contact Officer for this report is Sue Wilson (719499).

### Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date
1	Dordon Neighbourhood Plan Team and Dordon Parish Council	Neighbourhood Plan	November 2023



## Contents

Table of Policies .....	3
Common Abbreviations .....	4
1 Foreword.....	5
2 The Dordon Parish Neighbourhood Plan .....	6
3 The need for a Neighbourhood Plan.....	8
4 Community Aspirations.....	11
5 Dordon in Context.....	12
6 Community Vision and Objectives .....	13
7 Engaging with the Community: A Key Principle .....	14
Key Principle: Pre-Application Community Engagement.....	15
8 Sustainable Development .....	15
Policy DNP1 Sustainable Development.....	15
9 Protecting the Natural Environment and Enhancing Biodiversity .....	16
Policy DNP2 Protecting the Natural Environment and Enhancing Biodiversity.....	21
10 Local Green Spaces.....	22
Policy DNP3 Designation of Local Green Spaces.....	24
11 Protecting Landscape Character .....	25
Policy DNP4 Protecting the Landscape Character .....	28
12 Creating a Green Network Around Dordon Parish.....	29
Policy DNP5 Creating a Local Green Network.....	32
13 Protecting and Enhancing Heritage Assets .....	33
Policy DNP6 Protecting and Enhancing Heritage Assets.....	34
14 Flood Risk .....	36
Policy DNP7 Reducing the Risk of Flooding .....	40
15 Achieving Well Designed Buildings .....	41
Policy DNP8 Achieving High Quality Design.....	41
16 A Mix of House Types and Tenures.....	42
Policy DNP9 A Mix of Housing Types and Tenures .....	44
17 Renewable Energy and Low Carbon Technologies .....	44
Policy DNP10 Renewable Energy, Energy Efficiency and Low Carbon Technologies.....	45
18 Protecting and Enhancing Community Facilities and Services.....	46
Policy DNP11 Protecting and Enhancing Community Facilities .....	47
19 Supporting the Local Economy .....	47
Policy DNP12 Supporting the Local Economy.....	50
20 Traffic Congestion in Dordon village.....	50
Policy DNP13 Car Parking along Long Street and New Street .....	54
21 Development Contributions.....	54

Policy DNP14 Development Contributions .....	54
22 Implementation .....	55
23 Monitoring and Review .....	55
Appendix A Community Aspirations .....	56
Appendix B Photos of Key Views (shown on Map 5) .....	63
Appendix C Summary of Landscape Characteristics from the Landscape Character Assessment for Dordon Parish .....	70
Appendix D A Review of the Birds of Dordon 2021 Compiled by a Local Resident .....	71
Appendix E Housing Affordability .....	75

### Table of Policies

Policy	Page Number
DNP1 Sustainable Development	15
DNP2 Protecting the Natural Environment and Enhancing Biodiversity	21
DNP3 Designation of Local Green Spaces	24
DNP4 Protecting the Landscape Character	28
DNP5 Creating a Local Green Network	32
DNP6 Protecting and Enhancing Heritage Assets	34
DNP7 Reducing the risk of Flooding	40
DNP8 Achieving High-Quality Design	41
DNP9 A Mix of Housing Types and Tenures	44
DNP10 Renewable Energy, Energy Efficiency and Low Carbon Technologies	45
DNP11 Protecting and Enhancing Community Facilities	47
DNP12 Supporting the Local Economy	50
DNP13 Car Parking along Long Street and New Street	54
DNP14 Development Contributions	54

### Common Abbreviations

- AOS – Area of Separation
- BHL – Building for a Healthy Life
- DDGC - Dordon Design Guidance and Code 2021
- DNP – Dordon Parish Neighbourhood Plan
- HEDNA – Housing and Economic Development Needs Assessment
- NPPF – National Planning Policy Framework
- NPWG – Neighbourhood Plan Working Group
- NWBC – North Warwickshire Borough Council
- PRoW – Public Right of Way
- SHMA – Strategic Housing Market Assessment
- SPD – Supplementary Planning Document
- WCC – Warwickshire County Council



## 1 Foreword

The Neighbourhood Plan Team have now completed Dordon's Neighbourhood Plan, using comments from our various consultations to create a document that will hopefully benefit the whole community over the next decade.

Dordon is a unique village; it has a unique name and heritage of which we are immensely proud. The Parish of Dordon also contains the historic hamlet of Freasley, so our plan includes this lovely area of our parish. With NWBC adopting of the Local Plan, we are determined that the things that make Dordon a great place to live won't be lost, in fact we have made many suggestions on how to improve what already exists.

We are mindful that traffic concerns, maintaining and improving greenspaces, protecting wildlife, caring for the environment and protecting our heritage are all important to the people of Dordon.

We feel this comprehensive plan covers all these issues and more. We have looked at potential new infrastructure, new cycle routes and footpaths to connect our large diverse parish, and protection for the Strategic Gap - we have even explored issues concerning drainage and design codes for any new housing.

This is the community's plan; we have written what we feel is the best possible fit considering the issues facing our village.

The team would like to thank Helen Metcalfe, our consultant, whose advice and expertise has been invaluable. We would also like to thank the late Bob Kind for his input in the early days and hope he would approve of our report.

Dordon is an amazing place worth protecting and enhancing. We feel strongly that the many changes we will be facing must have a positive outcome for the people who actually live here. We look forward to meeting and hearing from you over the following months.

The Neighbourhood Plan Team

Dr Mark Doggett, Beverley Garratt, Byron Melia, Steve Ridley, Davina Ridley, Donna Watts, John Winter



## 2 The Dordon Parish Neighbourhood Plan

1. The Dordon Neighbourhood Plan (DNP) is a document produced in accordance with the Localism Act 2011. Once it has been 'made' by North Warwickshire Borough Council (NWBC) it will form part of the Development Plan for Dordon which also includes the adopted Local Plan<sup>1</sup> and the Minerals and Waste Local Plan produced by Warwickshire County Council (WCC).
2. The time frame for the Dordon Neighbourhood Plan is aligned to run alongside the Plan period of the Adopted Local Plan (which is up to 2033).
3. The Dordon Neighbourhood Plan will be used by
  - a) Planners at North Warwickshire Borough Council (the planning authority) in assessing future planning applications,
  - b) Developers, as they prepare planning applications for submission to North Warwickshire Borough Council,
  - c) The Parish Council in responding to consultations on applications
  - d) Inspectors will use it at Appeal.
4. Neighbourhood Plans are required to '*have regard to national policies and advice contained in guidance issued by the Secretary of State*<sup>2</sup>'; national policies are primarily set down within the National Planning Policy Framework (NPPF) and guidance is set down in the Planning Practice Guidance (PPG) - both of these are updated from time to time.
5. The NPPF is clear that '*Neighbourhood plans should not promote less development than set out in the strategic policies for the area, or undermine those strategic policies.*<sup>3</sup> The DNP has to be in general conformity with the growth requirements set at Borough level.
6. All neighbourhood plan policies should be read in conjunction with the adopted policies in North Warwickshire Borough Council's Local Plan. No Neighbourhood Plan policy will be applied in isolation; account will be taken of all relevant policies.
7. At the Borough level, planning policy is formulated and delivered by North Warwickshire Borough Council and this body will continue to have the legal duty to provide this.
8. The Plan area includes the whole of Dordon Parish (see Map 1). This was considered the most appropriate boundary in relation to the issues of relevance to local people and was accepted when the area was designated by North Warwickshire Borough Council on 7th November 2017.<sup>4</sup>

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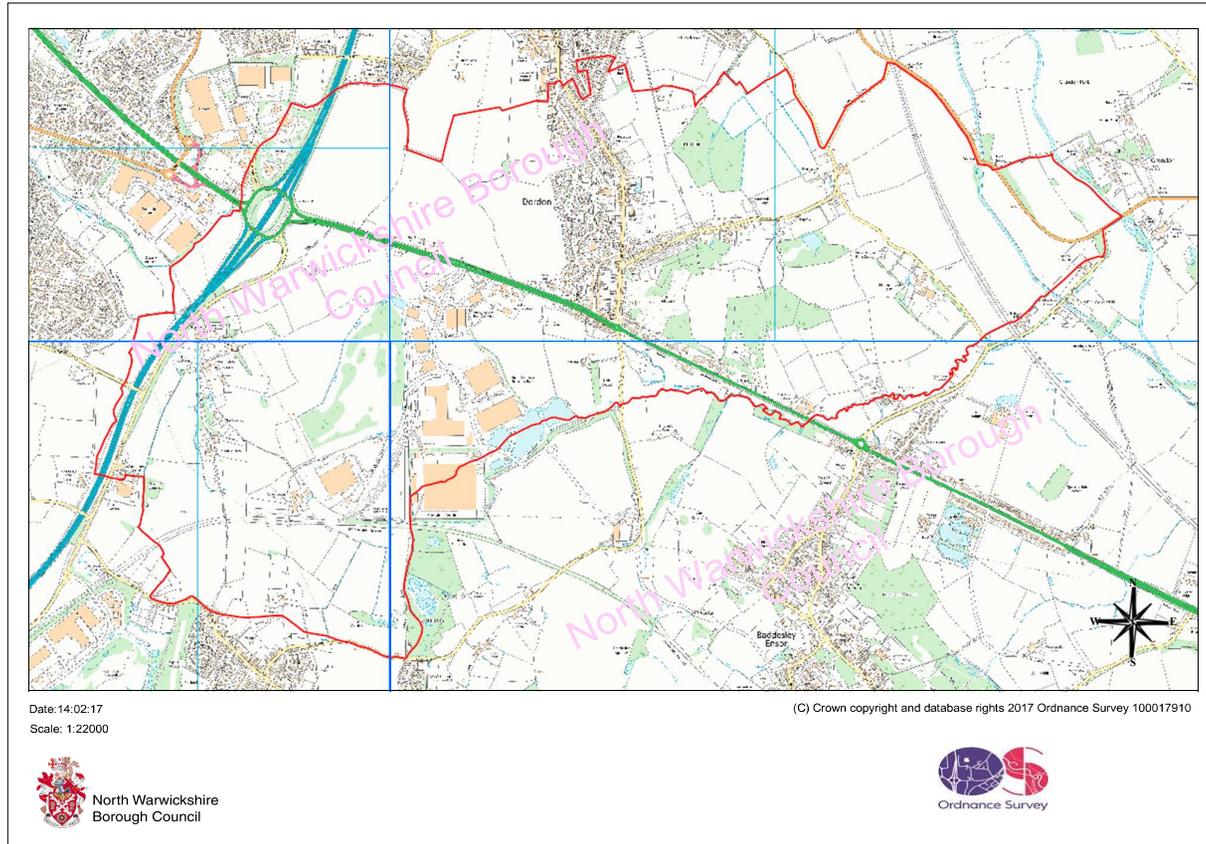
<sup>1</sup>The Local Plan was adopted in September 2021

<sup>2</sup>[paragraph 8\(2\) of Schedule 4B to the Town and Country Planning Act 1990](#) as applied to neighbourhood plans by section 38A of the Planning and Compulsory Purchase Act 2004

<sup>3</sup>NPPF para 29

<sup>4</sup>See [https://www.northwarks.gov.uk/downloads/file/8256/dordon\\_parish\\_council\\_designation\\_decision](https://www.northwarks.gov.uk/downloads/file/8256/dordon_parish_council_designation_decision)

**Map 1 Dordon Parish Neighbourhood Plan Area**



OS 100060095

9. A number of Borough wide studies that support the Adopted Local Plan have been used to support the preparation of the DNP<sup>5</sup>. These are:
- a) Draft Residential Guidance 2020 and Draft Distinctiveness Guidance<sup>6</sup>
  - b) Historic Environment Assessment of Potential Development Areas within North Warwickshire
  - c) North Warwickshire Green Space Strategy 2019 – 2033
  - d) LUC Historic Environment Assessment 2019
  - e) West Midland Strategic Site Employment Sites Study 2021
10. There are also some local studies which have been commissioned for the Neighbourhood Plan, and local analysis undertaken by the Neighbourhood Plan Steering Group, which also form part of the evidence base these are:
- a) Housing Needs Assessment 2021 done by AECOM
  - b) Dordon Masterplan Framework done by AECOM 2021
  - c) Dordon Design Guidance and Code done by AECOM 2022
  - d) Analysis of Buildings for Local Listing done by NPWG 2020
  - e) Key Views Assessment done by NPWG 2020<sup>7</sup>
  - f) Footpaths Assessment done by NPWG 2020<sup>8</sup>

### 3 The need for a Neighbourhood Plan

#### *Planned Growth and the role of the DNP*

11. The Adopted Local Plan allocates sites for over 6183 homes and an additional 57.35 hectares of employment land. There are strategic site allocations along the A5 corridor with other growth at Ansley Common and Hartshill.
12. Included in NWBCs Local Plan is Policy H4 a strategic site allocation which extends beyond Dordon Parish.<sup>9</sup> Para 2.15 of the Adopted Local Plan states that *'... growth is much greater than ever experienced in the Borough before. This will bring many challenges. In particular, due to the rural nature of the Borough making quality places that are integrated into the existing fabric of settlements wherever possible will be important. Making settlements work will be just as important as delivering a specific site as this will lead to their long-lasting success.'*
13. There remains significant community concern about the scale and location of growth planned for the Parish. The DNP contains local policies that will bring forward sustainable development by;

<sup>5</sup> Documents are on NWBC's web site

<sup>6</sup> As these are both at draft stage they have been used as background information

<sup>7</sup> Assessment involved walkabout by NPWG members, discussion and review by wider group (there is no written report)

<sup>8</sup> Assessment involved walkabout by NPWG members, discussion and review by wider group (there is no written report)

<sup>9</sup> See NWBC policies map at [https://www.northwarks.gov.uk/downloads/file/8841/adopted\\_local\\_plan\\_maps\\_-\\_site\\_allocations\\_and\\_development\\_boundaries](https://www.northwarks.gov.uk/downloads/file/8841/adopted_local_plan_maps_-_site_allocations_and_development_boundaries) see page 3

- a) promoting a constructive dialogue with developers before a planning application is submitted,
- b) providing design policies that ensure new development reflects the distinctive historic and rural character of the Parish and reinforces its special character <sup>10</sup>,
- c) protecting and enhancing the landscape character of the area,
- d) ensuring new development meets the housing and employment needs of the area,<sup>11</sup>
- e) ensuring new development minimises its carbon foot print,
- f) mitigating the risk of flooding,
- g) seeking a net biodiversity gain,
- h) enhancing opportunities for cycling across the whole Parish,
- i) seeking opportunities to maximise the community benefit of development (including through the use of S106 where appropriate<sup>12</sup>).

### *Other planning issues*

14. Dordon is a community of nearly 3500 people and there are many land use issues that concern local residents. These include;

- The protection and enhancement of existing parks and open spaces e.g., Long Street Recreation Ground and Freasley Common
- Ensuring the satisfactory relocation of the allotments and playing fields to land off Browns Lane
- The protection of heritage assets and the recognition of the heritage value of Freasley and the identification of buildings and structures of local historic value
- The continued protection of the Strategic Gap
- The protection and enhancement of existing walking routes and making new routes for walking and cycling
- Improving traffic movements (and reducing traffic where possible) especially along Long Street and New Street where access out of and into Dordon is difficult
- Working with landowners to create Dordon Dell on disused and undevelopable land east of Long Street Recreation Area.<sup>13</sup>

<sup>10</sup> supported by NWBCs Draft Distinctiveness Guide for Dordon and South-east Polesworth Planning and Development Board April 2021 from the LDF Sub Committee February 2021 and Dordon Design and Guidance Code 2022

<sup>11</sup> In accordance with national policy (para 29 and footnote 18) a neighbourhood plan must be in general conformity with the strategic policies in NWBC's Local Plan

<sup>12</sup> S106 requirements need to meet the tests set out in the NPPF para 57.

<sup>13</sup> This is a community aspiration and is described in Appendix A

### Climate Change

15. In October 2019 NWBC formally declared a climate emergency. NWBC committed to ‘proactively using local planning powers to accelerate the delivery of net zero carbon new developments and communities’ and noted that ‘North Warwickshire Borough Council is ranked as the joint lowest performing Council in the West Midlands for the measures it has taken to tackle climate change.’<sup>14</sup>

16. National policy expects the planning system to support the transition to a low carbon future in the changing climate and that plans should take a proactive approach to climate change<sup>15</sup>. Dordon Parish Council recognize the importance of minimizing the impact of climate change and within the scope of land use planning, policies in the Dordon Parish Neighbourhood Plan seek to assist NWBC to achieve this objective.

### Sustainable Development

17. The NPPF<sup>16</sup> states that ‘the purpose of the planning system is to contribute to the achievement of sustainable development’. There are 3 elements of sustainability; social, economic and environmental. The Dordon Neighbourhood Plan seeks to create a balance between these three elements whilst working with the scale of growth for Dordon set out in NWBC’s Local Plan.

18. Table 1 shows how the Neighbourhood Plan policies will ensure the right balance is achieved.

**Table 1**

Sustainable Development Dimensions	Neighbourhood Plan Focus	Neighbourhood Plan Objectives and Policy
Environmental	<ul style="list-style-type: none"> <li>new developments should be well designed<sup>17</sup> and reflect the distinctive local character</li> <li>creating and enhancing walking and cycling routes for local residents and to visitor destinations</li> <li>highlighting the green spaces that are sensitive to development</li> <li>designating Local Green Spaces</li> <li>encouraging the use of small-scale renewable energy initiatives and construction materials</li> <li>encouraging biodiversity</li> </ul>	<p>Community Objectives 1,2,7, 10</p> <p>Neighbourhood Plan Policies 1,2,3,6,7,8,10,13,</p>

<sup>14</sup> See [https://www.northwarks.gov.uk/site/scripts/google\\_results.php?q=climate+emergency](https://www.northwarks.gov.uk/site/scripts/google_results.php?q=climate+emergency)

<sup>15</sup> NPPF Para 152/153

<sup>16</sup> NPPF para 7

<sup>17</sup> NPPF para 126

Sustainable Development Dimensions	Neighbourhood Plan Focus	Neighbourhood Plan Objectives and Policy
	<ul style="list-style-type: none"> <li>• reducing the risk of flooding</li> <li>• seeking opportunities to reduce the effects of climate change</li> <li>• promote tree planting</li> </ul>	
Social	<ul style="list-style-type: none"> <li>• protecting and improving community facilities</li> <li>• ensuring that the provision of housing meets local as well as wider needs</li> <li>• encouraging the provision of affordable housing</li> <li>• ensuring the design and layout of major development integrates with Dordon</li> <li>• enabling greater participation and influence over the growth and character of the Parish</li> </ul>	Community Objectives 3,4,9  Neighbourhood Plan policies 1,9,11, 12, 13,14
Economic	<ul style="list-style-type: none"> <li>• ensuring that the form and function of new development integrates with the existing community so that existing businesses benefit from the growth in population and local spending</li> <li>• supporting the allocation of E2 and E3</li> </ul>	Community Objectives 3  Neighbourhood Plan Policies 12, 14

19. There is evidently an overlap between policies that support the improvement of green infrastructure, those that address flooding, promote biodiversity and seek to reduce the impact of climate change. Their division across a number of policies is based on the focus of the evidence. The Neighbourhood Plan Policy will not apply in isolation.

#### 4 Community Aspirations

20. One of the immediate benefits of preparing this Neighbourhood Plan is that the community and the Parish Council have identified community aspirations that are directly related to the Plan policies. These Aspirations are important to the community and will play a key part in the implementation of this Plan. Whilst they are not part of the Neighbourhood Plan, they will contribute to the delivery of the vision and objectives of the Neighbourhood Plan. They are listed at Appendix A along with the policy and community objective to which they relate.

## 5 Dordon in Context

21. Dordon Parish is located in the northern part of NWBC. Dordon village is broadly a linear settlement and is separated from the M42 by open fields that are designated as 'the Strategic gap' in NWBC policy<sup>18</sup>. South of the A5 are logistic warehouses, Birch Coppice Business Park, the former spoil heap from Birch Coppice Colliery which is now landscaped, some open fields and the rural hamlet of Freasley.
22. The M42 runs through the western edge of the Parish; Junction 10 is in Dordon Parish and connects the A5 with the motorway. Watling Street (the A5) is an ancient route paved by the Romans in the 1<sup>st</sup> century AD and runs west to east through the Parish.
23. Archaeological remnants of bronze age settlements and tools and a hoard of Roman coins have been found on the land between the M42 and Birch Coppice Business Park.<sup>19</sup>
24. Coal has been mined from the Orchard since Roman times. The Orchard Site was later used for open cast mining and debris from coal extraction is still visible. The Orchard Site is now a designated Local Wildlife Site and will be part of H4.
25. Deep coal mining at Birch Coppice Colliery began in 1878 when the main shafts and winding towers were constructed. The mine employed up to 1500 miners and closed in 1987. The expansion of Dordon in the 20<sup>th</sup> century was due in part to the need to provide accommodation for the mine workers.
26. UK Coal sold the site in 1997 and it is now the location of Birch Coppice Business Park which accommodates over 21 businesses including Ocado, UPS and Euro Car Parts. The Business Park employs 6500 people and 38% of the employees live within 5 miles of the Business Park.<sup>20</sup>

### *People*

27. Data extrapolated by Warwickshire County Council provides a range of useful information.<sup>21</sup> In 2019 there were 3416 people living in Dordon Parish (2019 estimate) compared to 3215 in 2011.<sup>22</sup> (6% increase). In 2011 there were 1286 households with an average household size of 2.5.<sup>23</sup>
28. 96% of residents are white British. Dordon's profile of younger people, working age people and older people, is in line with the national average and younger than the County. Fuel poverty is higher in Dordon at 13% than the County or national average at 10 and 11%.<sup>24</sup>
29. Figures from Public Health England show that 35% of children in Dordon in Year 6 (age 10/11) are overweight and 16% of children live in low-income families in Dordon, this is more than the County average but less than the Country average.<sup>25</sup>

<sup>18</sup> See NWBC policy LP4

<sup>19</sup> See history at <https://www.dordonparishcouncil.gov.uk>

<sup>20</sup> See <https://www.birhcoppice.co.uk/about/>

<sup>21</sup> See <https://data.warwickshire.gov.uk/search/?q=>

<sup>22</sup> See [https://www.nomisweb.co.uk/reports/localarea?compare=E04009639#section\\_6](https://www.nomisweb.co.uk/reports/localarea?compare=E04009639#section_6)

<sup>23</sup> At time of writing (October 2022) the census 2021 data for local (ie parished) areas was not publicly available

<sup>24</sup> From

<https://data.warwickshire.gov.uk/population/report/view/669a979ad329454ca41a5ba9af04e331/E05007465/>

<sup>25</sup> See <https://fingertips.phe.org.uk/profile/national-child-measurement-programme/data#page/0/gid/1938133288/pat/101/par/E07000218/ati/8/are/E05007465/cid/4/tbm/1>

## 6 Community Vision and Objectives

30. Based on consultation events and questionnaire feedback, members of the NPWG have prepared this community vision.

**In 20 years' time Dordon will have retained its village identity and its heritage will have been preserved. Expansion to the west will have been limited and new development to the east of Dordon village will be integrated with the existing built-up area.**

**Dordon will be enhanced due to the provision of a range of community facilities and near major employment areas. It will have a network of walking and cycling routes that connect to high quality parks, open spaces and woodland and easy access to the surrounding countryside. Dordon will be an attractive, friendly, healthy, green place to live.**

31. A range of issues were confirmed through the early consultation processes. The objectives below have been informed by the residents preferred criteria and reflect the greatest concerns of local people and the primary area of focus for this Neighbourhood Plan.

### **Community Objective 1: Environmental Protection**

Development should minimise the impact on the natural environment ensuring that the design and layout of development protects the water courses and considers flood risk and sustainable drainage systems, protects ancient woodland, Local Wildlife Sites, trees and hedgerows.

### **Community Objective 2: Access to the Countryside**

Development will ensure easy, direct access to the countryside by protecting existing local green spaces, wooded areas, and public rights of way where possible. Opportunities to extend the walking/cycling network across the whole Parish is supported.

### **Community Objective 3: Community Facilities and Local Services**

Development will protect and where possible enhance the existing provision of community facilities (especially the village hall) and local services. As the population of the Parish grows, community facilities should be provided to meet the growing need. To improve the Neighbourhood Centre making it more attractive for businesses and shoppers.

### **Community Objective 4: Integration**

New development will integrate easily with the existing settlement pattern so that it sustains and enhances existing local facilities as well as providing additional amenities for a growing population.

### **Community Objective 5: Getting Around**

Development proposals will find engineered solutions to the existing problems of road safety within Dordon for pedestrians and address the issue of vehicle capacity on Long Street, to reflect the increased traffic volume that will result from the expansion of the village. Making it easier and safer to access work, leisure and local facilities on foot and bike.

### **Community Objective 6: Protecting the Historic Environment**

Development will protect and where possible enhance heritage assets of local or national

significance.
<p><b>Community Objective 7: Village Identity</b></p> <p>Any development to the west will ensure there is a sense of space, place and separation between the western edge of the built-up area of Dordon and mainly the M42, in accordance with Local Plan policy LP4.</p>
<p><b>Community Objective 8: Design Principles</b></p> <p>All new development will be designed to be in accordance with the standards set out in the National Design Guide, in particular relating to housing design, landscaping, and use of Sustainable Drainage Systems to maximise the existing landscape features.</p>
<p><b>Community Objective 9: Housing Type</b></p> <p>Future housing types and tenures will provide a mix to support a balanced community of all ages, based on an up-to-date assessment of local housing need.</p>
<p><b>Community Objective 10: Local Businesses</b></p> <p>Maximising local employment opportunities by supporting the establishment and/or expansion of businesses in the Parish where this does not encroach on the open countryside and is in accordance with Local Plan policy LP6.</p>
<p><b>Community Objective 11: Climate Change</b></p> <p>The use of renewable energy is vital to reduce carbon emissions, improve air quality and to enable the transition to a low carbon future. New development should be designed and constructed to minimise carbon emissions<sup>26</sup>.</p>

## 7 Engaging with the Community: A Key Principle

32. This Plan reflects the community's need to have greater involvement and influence in development proposals that come forward between 2022 and 2033. The importance of pre-application engagement is endorsed in the National Planning Policy Framework.
33. The NPPF recognises the importance of early discussion between applicants and the local community. *'Early engagement has significant potential to improve the efficiency and effectiveness of the planning application system for all parties. Good quality pre-application discussion enables better coordination between public and private resources and improved outcomes for the community.'*<sup>27</sup>
34. Encouraging consultation between developers and the Parish Council at an early stage in the planning process will be of benefit to applicants as issues can be discussed and resolved at an early stage in the process. The key principle set out below is a voluntary process and is intended to encourage applicants who are submitting plans for major development to talk to the Parish Council prior to a scheme being submitted for planning permission. This process should result in a scheme that is more acceptable to the community and is more likely to secure approval by North Warwickshire Borough Council.

<sup>26</sup> In accordance with Building Regulations

<sup>27</sup> NPPF para 39

35. The key principle only applies to major development.<sup>28</sup>

**Key Principle: Pre-Application Community Engagement**

1. Applicants submitting proposals for major development, are encouraged to actively engage with the Parish Council and the community as part of the design process at the pre-application stage.
2. Applicants are encouraged to provide a short document with the planning application to explain:
  - a) how the developer has consulted with the community; and
  - b) how issues of concern raised by local people and the Parish Council have been taken into account; and
  - c) how the layout, boundary treatment and design of the proposal responds and reinforces local character (useful information to assist this assessment is in NWBCs Draft Distinctiveness Guide for Dordon and South-east Polesworth)<sup>29</sup> and the Dordon Design Guidance and Code 2022 or equivalent); and
  - d) (where the proposals are for housing development), how this meets local as well as wider housing need.

## 8 Sustainable Development

36. The Neighbourhood Plan policies will ensure that, whilst development is required to meet wider housing needs (including those of adjoining local authorities) this development will minimise harm to the landscape character and that opportunities are taken to improve biodiversity, address issues of flooding, enhance green infrastructure, ensure spatial (and social) integration, and encourage sustainable construction methods and high-quality design. All of which will ensure development is sustainable.

37. Given the scale of development proposed up to 2033 in Dordon, Neighbourhood Plan Policy DNP1 sets out a policy framework to define sustainable development in the context of the Parish.

**Policy DNP1 Sustainable Development**

1. Development should be located so that it can make a positive contribution towards the achievement of sustainable development. Development proposals will be supported which address the following matters;
  - a) are of a density, layout and design that integrates and is compatible with the character, appearance and amenity of that part of the Parish in which it is located (especially where it is adjoining the existing built up area),
  - b) maintains the sense of space, place and separation on land to the West of the Parish taking into account the amenity of Dordon Residents,
  - c) respects the identified Local Wildlife Sites and areas designated for their nature conservation or priority habitat (as identified on Map 2 and Map 3),
  - d) enhances the biodiversity of the site in accordance with biodiversity net gain requirements as set out in national legislation,

<sup>28</sup> Defined as *For housing development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floorspace of 1,000m<sup>2</sup> or more, or a site of 1 hectare or more.*

<sup>29</sup> From Planning and Development Board April 2021 from the LDF Sub Committee February 2021

- e) incorporates into the scheme any natural or built features on the site that have heritage or nature conservation value where practicable,**
- f) is well located in relation to public transport and local services,**
- g) promotes active travel (cycling and walking),**
- h) ensures the risk of flooding is not increased elsewhere and, where applicable, includes sustainable drainage systems,**
- i) maximises water efficiency,**
- j) uses sustainable construction methods and materials,**
- k) locates development close to bus routes, local services and facilities where possible.**

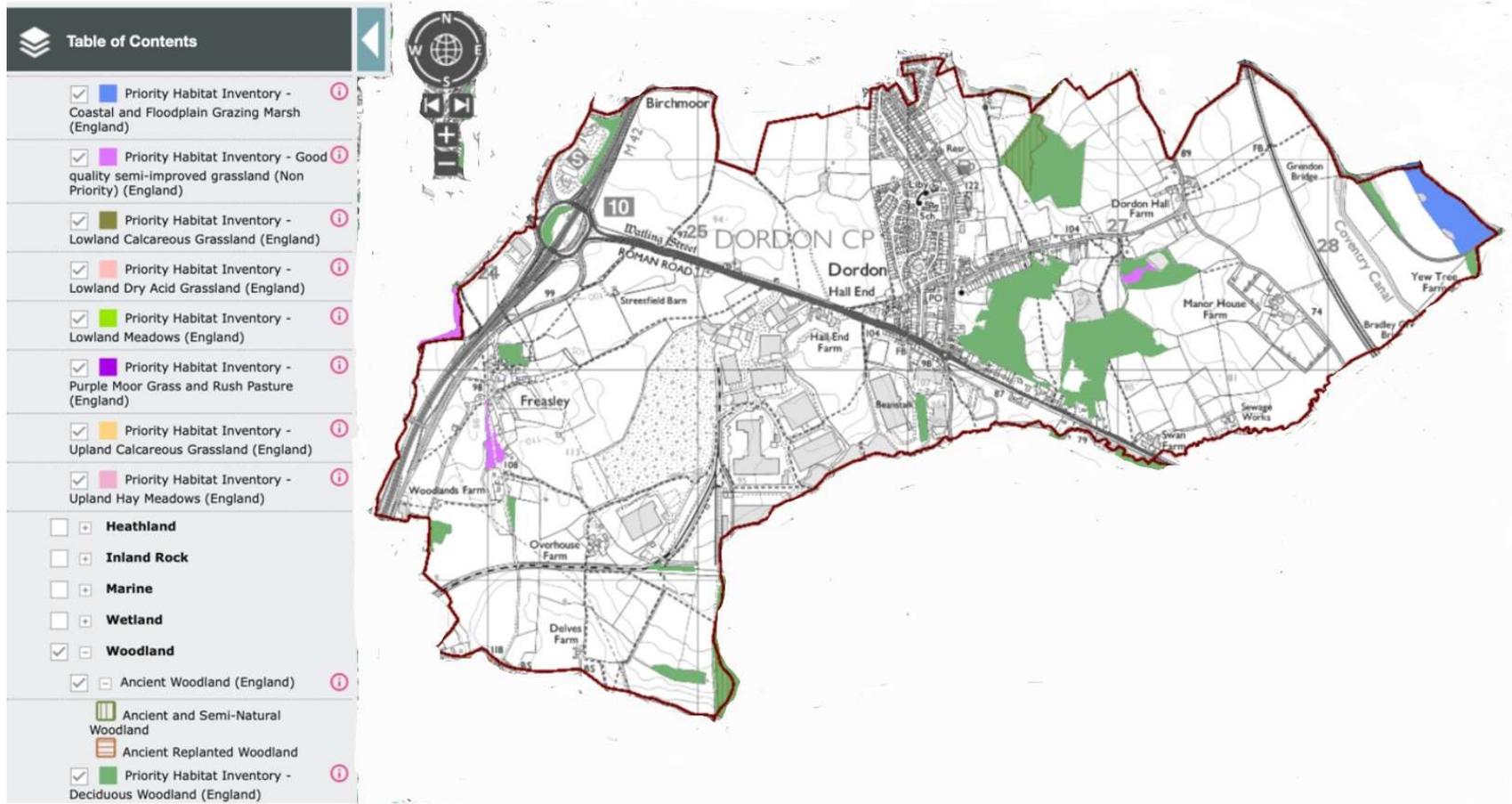
## **9 Protecting the Natural Environment and Enhancing Biodiversity**

38. Map 2 is the magic map from Defra showing areas of priority habitat.<sup>30</sup> The areas on the priority habitat inventory are also Local Wildlife Sites. Although there are more areas identified as Local Wildlife Sites to the south of the A5 (see Map 3 below).
39. The map also shows the extent of the ancient woodland at the Hollies, the deciduous woodland, areas of good quality semi-improved grassland and beyond the railway line the area of flood plain.

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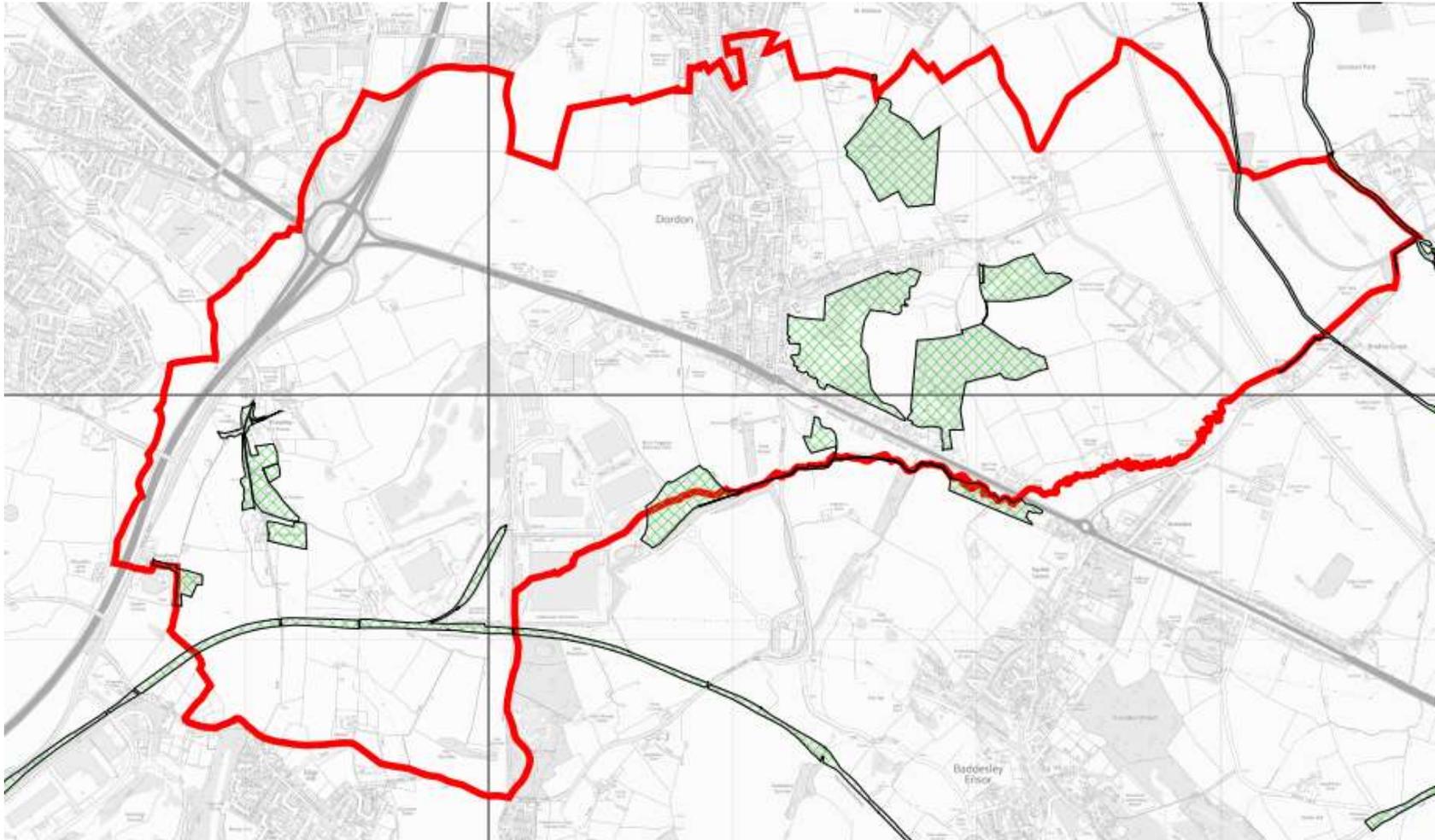
<sup>30</sup> See <https://magic.defra.gov.uk/magicmap.aspx>

**Map 2 Priority Habitats in Dordon Parish**



OS100060095

**Map 3 NWBC Designated Local Wildlife Sites**



OS100060095

40. The land to the west of Dordon village is in the Tamworth Fringe Uplands Landscape Character Area (LCA), the village itself and all the land to the east is part of the Anker Valley LCA. The parish character is mostly rural to the east of Dordon village. To the west the industrial buildings at Birch Coppice Business Park are visible across the landscape and influence its character. Appendix C provides a summary of the key points based on the descriptions in the North Warwickshire Landscape Character Assessment Study 2010 that informs the Adopted Local Plan and DNP policies 2 and 3.<sup>31</sup>

### *Trees and hedgerows*

41. Trees and hedgerows perform a number of important roles in supporting biodiversity, providing attractive shade/shelter and generally improving health and amenity. Hedges are a relatively simple and cheap natural barrier capable of providing a spectrum of benefits. They capture air pollutants, reduce risks of localised flooding (through intercepting rainfall), cool the proximate air, support wildlife and much more. The Royal Horticultural Society has produced guidance on the best hedges to provide environmental benefits.<sup>32</sup>
42. Trees will also help the Parish adapt to the effects of climate change. Planting more trees in strategic spaces is a key priority for the community. The location for the new trees will be agreed between partners including the community, the landowner and NWBC where necessary.
43. The extent of development allocated in the Parish over the Neighbourhood Plan period means that it is likely that existing mature trees may also be lost. It is a fact that compensatory planting of new trees does not offset the loss of mature trees<sup>33</sup>. A newly planted tree is likely to be a small sapling and significantly smaller than the mature tree that it replaces. Where trees are removed as part of a development scheme they should be replaced. There should be no net loss of tree canopy and where possible a net gain. This may mean planting more than one tree to replace a mature tree (where it had a large tree canopy). This is considered a reasonable policy response recognising the environmental loss of mature trees.
44. Also, in an urban environment many newly planted trees may not survive, so multiple planting helps to ensure that the tree population (and hence tree canopy cover) is at least maintained and possibly enhanced.<sup>34</sup>
45. The inclusion of street trees is supported in the NPPF<sup>35</sup> unless, in specific cases, there are clear, justifiable and compelling reasons why this would be inappropriate. There would need to be consultation with WCC on the provision of street trees.

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<sup>31</sup>

[https://www.northwarks.gov.uk/site/scripts/google\\_results.php?q=Landscape+Character+Assessment&startNum=21](https://www.northwarks.gov.uk/site/scripts/google_results.php?q=Landscape+Character+Assessment&startNum=21)

<sup>32</sup> <https://www.rhs.org.uk/science/pdf/climate-and-sustainability/hedges-for-environmental-benefits.pdf>

<sup>33</sup> <https://www.woodlandtrust.org.uk/get-involved/campaign-with-us/in-your-community/neighbourhood-planning/creating-a-neighbourhood-plan/>

<sup>34</sup> Friends of the Earth (FoE) recommend that Local Authorities double the coverage of trees in the area to mitigate against climate change this is part of their campaign to see tree coverage double across the UK

<sup>35</sup> NPPF para 131

### *Water Courses*

46. The River Anker and Coventry Canal run discretely through the eastern edge of the Parish. Penmire Brook forms the southern and eastern boundary to the Parish. Unnamed water courses intersect the land east of Dordon and the lagoons next to Birch Coppice Business Park are a Local Wildlife Site. Water corridors can be rich in biodiversity.
47. Drainage and managing water in relation to flood risk is addressed in the section on flooding. But well-designed Sustainable Drainage Systems (SuDS) are not centrally about flood defence but incorporate management of water flows as part of a broader strategy to deliver multifunctional spaces that have a high biodiversity value. SuDS have wider environmental and community gains should be designed to best practice contained in the CIRIA industry best practice guidance document, The SuDS Manual.
48. Any sites over 1 hectare are classed as major development therefore in line with the National Planning Policy Framework, a site-specific Flood Risk Assessment must be submitted to the Lead Local Flood Authority for review.
49. WCC LLFA are aware of channel capacity issues on the Penmire Brook in the adjacent Parish. Opportunities should be sought to reduce and manage runoff into the brook for the benefit of the downstream flood risk.
50. There are many dry ditches located adjacent to roads and site boundaries. Dry ditches require wider grassed verges which provide a significant contribution to the local setting, character and biodiversity of the local area. These features are effective for the sustainable management of surface water and where possible they should be retained as part of a SuDS scheme.

### *Birds*

51. Appendix D provides a detailed analysis of the birds on the Birds of Conservation Concern 4 Red List (May 2021) provided by a resident and amateur ornithologist. The list shows the wide range of birds and is evidence that the Parish provides a rich habitat for these birds. Development sites can still provide habitat for these birds, where the landscape management plan includes landscape buffers around sensitive sites (for example the Hollies and the Local Wildlife Sites). The planting of trees, shrubs, and herbaceous plants and sowing of wildflower mixes must comprise native species typical of the region and locally distinctive to the environs of Dordon. Residential planting should use species of high value to pollinators and not be invasive.

### *Biodiversity Net Gain*

52. The Environment Act 2021 requires Local Authorities to produce Local Nature Recovery Strategies and for development to achieve a 10% net biodiversity gain. This requirement will amend the Town and Country Planning Act and is expected to become law in winter 2023. Development should provide a net biodiversity gain either on or off site in accordance with the most up to date legislation.
53. Within a development, there are many opportunities to design in features that will deliver net positive biodiversity. Sites can include planned areas of habitat retention, buffering and creation. In addition, formal areas of green spaces, engineered structures and buildings can all be enhanced for wildlife and people, even where biodiversity is not the primary objective.

54. Best practice advice is available on how sites can be developed to enhance biodiversity. Dordon Parish Council will use the guidance on its website to understand the extent to which planning applications have considered best practice in major development<sup>36</sup>.

***Policy DNP2 Protecting the Natural Environment and Enhancing Biodiversity***

- 1. As appropriate to their scale, nature and location, development proposals should conserve or enhance biodiversity value in accordance with national legislation<sup>37</sup>. Enhancement measures may include;**
  - a) strengthening hedgerows (gapping up) and field boundaries to provide more robust habitat ‘corridors’,**
  - b) planting wildflower meadows and strips,**
  - c) encouraging native trees and shrub planting on suitable sites, especially species that provide good berry or nectar sources,**
  - d) encouraging the creation of sustainable drainage schemes (SuDS), (e.g., rain gardens, pond and wetland creation) in new schemes and ‘retrofitting’ where appropriate,**
  - e) the installation of habitat features (including nest boxes) and/or the carrying out of planting programmes) suited to bird species of conservation concern, particularly those identified in Appendix D and bats**
  - f) improvements to the water courses that increase biodiversity,**
  - g) minimising the impact of light pollution.**
- 2. Compensatory measures, involving the creation of off-site habitat and/or relocation of species, should only be used as a last resort and agreed by North Warwickshire Borough Council. Mitigation or compensatory measures should be targeted to benefit local conservation priorities as identified in any Local Nature Recovery Strategy covering the area and implemented in partnership with an appropriate nature conservation body.**
- 3. Mature hedgerows identified as significant to the character of the Parish should be retained where possible. (These are the hedgerow along the Coffin Trail, hedgerows lining Dordon Hall Lane leading to St Helena and Dunn’s Lane).**
- 4. As appropriate to their scale, nature and location and in accordance with national policy, a tree-planting programme should be incorporated into development proposals so that there is no net loss of tree canopy and where possible a net gain. Where on site provision is not feasible off-site provision within the Parish may be acceptable. Planning conditions or legal agreements should be used to secure this outcome. New streets should be tree lined where possible in accordance with Paragraph 131 of the National Planning Policy Framework<sup>38</sup>.**

<sup>36</sup> See Best practice approaches Green Infrastructure and Biodiversity Design Considerations for major development at <https://dordon.neighbourhoodplan.uk/evidence-base>

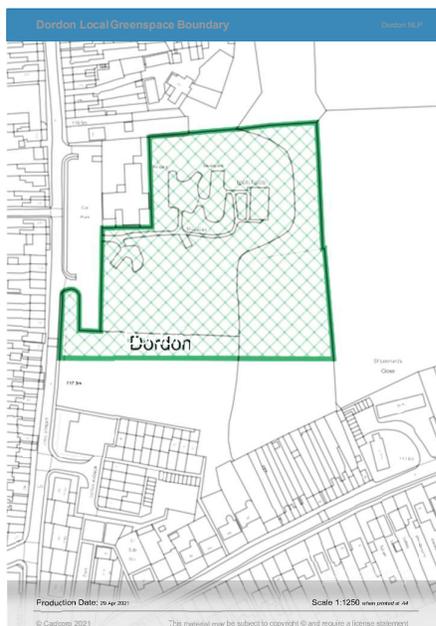
<sup>37</sup> NPPF para 174d

<sup>38</sup> In accordance with NPPF, unless there are clear, justifiable and compelling reasons why this would be inappropriate.

## 10 Local Green Spaces

55. The National Planning Policy Framework<sup>39</sup> affords Local Plans and Neighbourhood Development Plans the powers to designate certain areas as Local Green Spaces and protects them from development for the duration of the Plan.
56. The National Planning Policy Framework links the designation of Local Green Space to the wider context of local planning of sustainable development to *'complement investment in sufficient homes, jobs and other essential services'*.
57. The NPWG consider that Long Street and Freasley Common meet the criteria.
58. Long Street Recreation Ground is well-managed and includes a play area for children and green space and seating for older people. The 2021 Household Survey demonstrated the significant local value of Long Street Recreation Ground and that it is very well used by local people.
59. It meets the NPPF para 102 tests because it is demonstrably special to local people, has a significant recreational value and is located at the centre of the Dordon community. This policy demonstrates the community value of this space. (Its designation may also assist in securing small grants to undertake environmental improvements as necessary over the Plan period.)
60. A Community Aspiration (see Appendix A) is to secure an access route for pedestrians to connect from Long Street Recreation Ground to the east. On this basis the LGS boundary excludes an area to the south of the Long Street Recreation Ground to allow the access route through.

**Map 4a Local Green Space Long Street Recreation Ground**



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<sup>39</sup> NPPF para 99-101

61. Freasley Common is land owned by the Parish Council. The Common forms an open green space that become wide open spaces in places along the main street in Freasley called The Green. The Common contributes to the sense of calm, rurality and tranquility in Freasley despite its location near the M42. It is a treasured space being enclosed by mature trees and hedges and contrasts with so much of the wider Parish.
62. It meets the NPPF para 102 tests because it is demonstrably special to local people, has a significant value for its tranquility and is located at the centre of the small Freasley community

### Map 4b Local Green Space Freasley Common



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#### *Policy DNP3 Designation of Local Green Spaces*

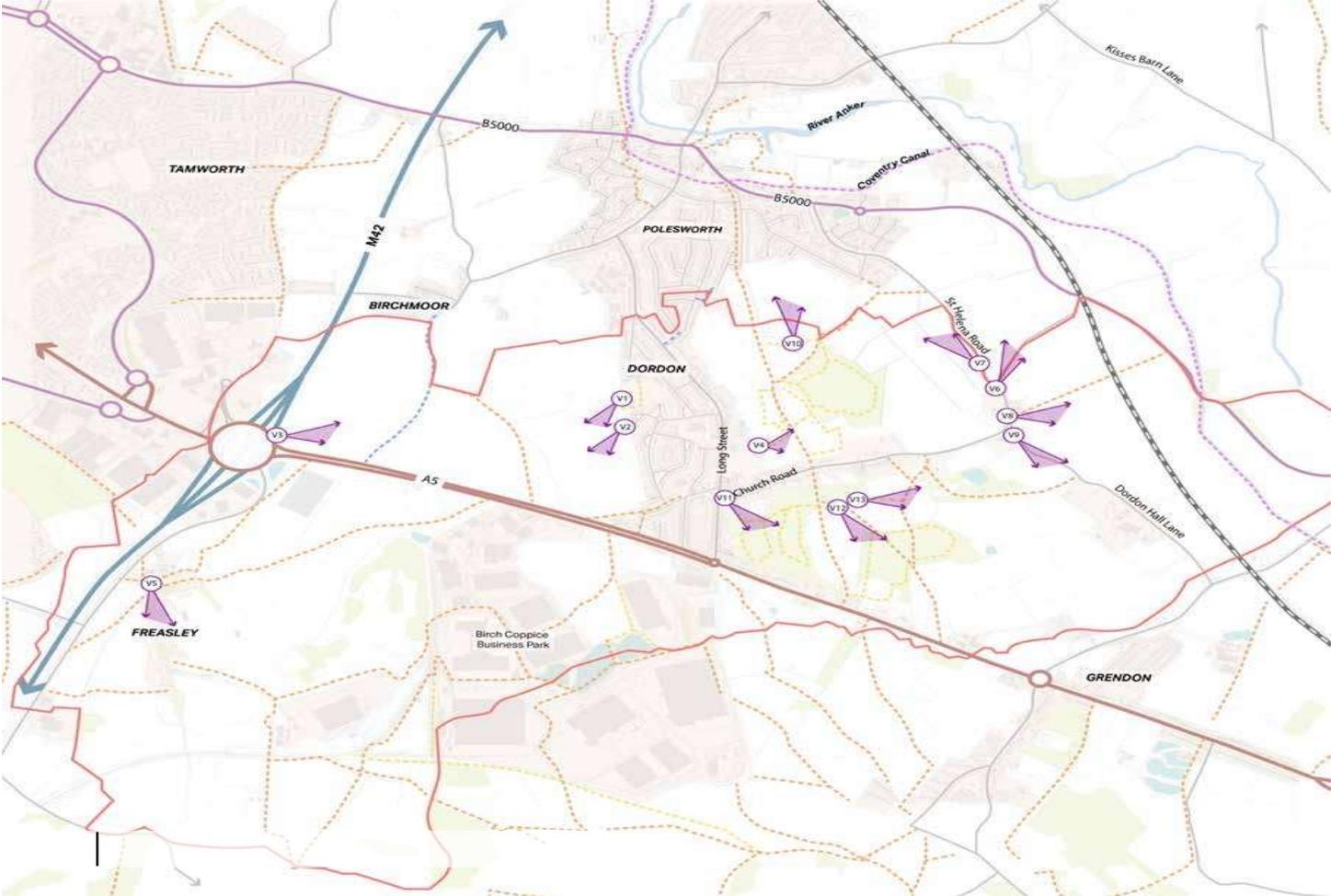
- 1. Long Street Recreation Ground and Freasley Common as identified on Map 4a and 4b are designated Local Green Spaces.**
- 2. Policies for managing development within a Local Green Space should be consistent with national policy on Green Belts.**

## 11 Protecting Landscape Character

### *Key Views*

63. The NWBC LCA shows how the land in Dordon Parish is undulating and intersected with hedgerows, footpaths and clusters of trees. Dordon village is on a ridge and the land to the west of the built-up edge (north of the A5) drops down and is open in character up to the boundary of the M42.
64. The topography of the Parish affords medium and long views into and out of Dordon village. The Map below shows the key views across the Parish. These were identified by the NPWG and is based on both local research and work with AECOM. They are views from publicly accessible locations across the Parish that the local community consider are key in defining the character of the Parish. These are considered the Key Views. It is important that future development takes into account these views. For example, one of the reasons Long Street Recreation Area is highly valued are the views to the east to what is presently the open countryside.
65. Appendix B provides a list of photos of each viewpoint. The key views are not intended to be a bar to development but to provide more information about the variety of the landscape and to identify the viewpoints that are valued by the community. Local people acknowledge that development may take place within these key views, but where possible they would like the layout of development to provide glimpses between buildings to countryside views beyond.
66. Map 5 below is also available on the DNP web site under supporting documents.

Map 5 Key Views



- KEY**
- Dordon Parish boundary (& NP area)
  - Built-up area
  - Woodland
  - Motorway
  - A road
  - B road
  - Local road
  - Railway
  - Public Rights of Way
  - Informally used local footpaths
  - Bridleway
  - Cycle way
  - Main river
  - Water course
  - ↖ Key views

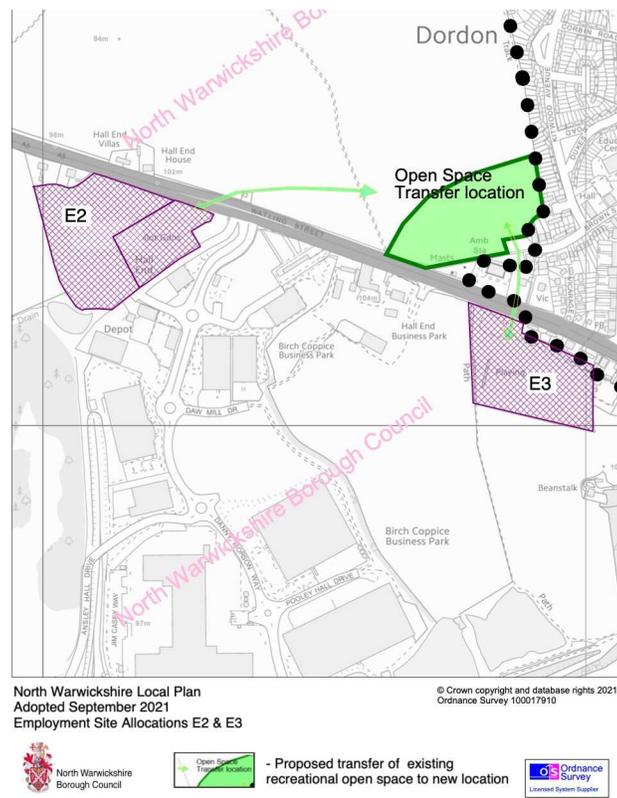


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*The relocation of Community Facilities in the Strategic Gap.*

- 67. The open land between Dordon village and the M42 is the main area of the Strategic Gap within the Dordon Neighbourhood Plan Area (see LP4 of the Adopted Local Plan). One of the Local Plan’s strategic aims through Policy LP4 (Strategic Gap) is to protect the Strategic Gap between Tamworth and Polesworth with Dordon, with development coming forward only if certain criteria are met relating to the need to find land for land for employment use.
- 68. As part of a proposal to provide more suitably located employment land, Adopted Local Plan policies E2 and E3 relocate the Birch Coppice Club House, playing fields and allotments that are south of the A5 to an area shown on the proposals map in the Strategic Gap (see Map 6 below). Comments from NWBC note that this area is expected to accommodate the equivalent of the two sites south of the A5 but E2 and E3 are not in the same ownership.
- 69. The new location for the community facilities and allotments is shown in the corner of the Strategic Gap and is intended to be accessed from Browns Lane.
- 70. NWBC also note that as the Borough Council own/control the allotments they would not be released unless a replacement in the area to the north of the A5 was provided of the same size/area with expected improvements to the existing allotment facilities and services standard (not simply an ‘equivalent’) as noted in Policy E2.<sup>40</sup>

**Map 6 showing relocation of Birch Coppice Sports Club and Allotments in the Strategic gap**



OS 100060095

<sup>40</sup> Adopted Local Plan E2 page 98

71. To be in accordance with LP4, the relocated Birch Coppice Club House will need to demonstrate it has been designed sympathetically, given its visually prominent location on the edge of the Strategic Gap. The opportunity for improving community facilities is addressed in the section on community facilities below.

***Policy DNP4 Protecting the Landscape Character***

- 1. Development proposals, as appropriate to their scale, nature and location, should be designed to take account of the landscape, the landscape character and topographical setting of the neighbourhood area and its urban environment which contribute to the distinctive character of the Parish.**
- 2. Where possible, development proposals should take into account the key views on Map 5 in their location and layout.**
- 3. The undulating landscape, mature woodland, clumps and individual mature trees and hedgerows lining the ancient tracks and routes strongly inform the character of the land to the east of the built-up form of Dordon and should be taken into account.**
- 4. Development should take account of the way in which it contributes to the wider character of the neighbourhood area. The layout, scale and boundary treatment of any applicable development should seek to retain a sense of space, place and (where relevant) separation<sup>41</sup>.**
- 5. Where appropriate, development proposals should demonstrate the way in which they have taken account of the actions identified in the landscape management strategies recommended for the Landscape Character Area in the NWBC landscape Character Assessment (Area 3 the Anker Valley – Land east of Dordon village and Area 5 Tamworth Fringe Uplands - Land west of Dordon village).**
- 6. As appropriate to its scale, nature and location, development proposals across the Neighbourhood Area should demonstrate they are sympathetic to the landscape setting as defined in the NWBC Landscape Character Assessment. All applicants shall show that they have taken into account the matters identified above. However, the provisions of strategic Local Plan Policies LP4 (Strategic Gap), LP6 (Additional Employment Land) and H4 (Land to the east of Polesworth and Dordon) shall have priority**

## 12 Creating a Green Network Around Dordon Parish

72. On average Dordon's residents are less healthy than the County or national average. 35% of Year 6s carry excess weight, and 10.5% reported to have day to day activities limited a lot compared to 7.7% for Warwickshire and 8.3% for England.
73. WCCs Public Health team advise that
- the prevalence of diabetes and coronary heart disease (CHD) in 2016/17 at the Dordon and Polesworth Group Practice was significantly higher than the England rate.
  - the prevalence of hypertension was significantly higher than the England rate in 2016/17,
  - the estimated prevalence of undiagnosed hypertension was also significantly higher than the England rate
  - the recorded prevalence of depression at both Dordon and Polesworth Group Practice (12.5%) was significantly higher than both the England rate (9.1%) and the Warwickshire North CCG (Clinical Commissioning Group) rate (7.7%).
74. It is vital that children grow up being active – safe routes to school that are fun encourage a concept of play on the way and can make car free trips more fun for children making them want to walk or cycle to school.
75. This Neighbourhood Plan seeks opportunities to protect existing walking/cycling routes and to create new routes where possible to encourage active travel.
76. Air quality is also poor along the A5 in Dordon. The 2021 Air Quality Status Report identified that on Watling Street nitrate levels were very near the existing legal limits in 2020.<sup>43</sup> The planning system seeks to reduce car usage and to promote development patterns that enable people to access work, school, the shops and leisure activities on foot, bike or public transport.

<sup>41</sup> On the west side of Dordon Parish this is subject to LP4 Strategic Gap and LP6 Additional Employment Land.

<sup>42</sup> Regulation 14 consultation response

<sup>43</sup> See [https://www.northwarks.gov.uk/downloads/file/8932/air\\_quality\\_progress\\_report\\_2021](https://www.northwarks.gov.uk/downloads/file/8932/air_quality_progress_report_2021) . See table B.1 for tubes diffusion results for 426025, 426026 and 425943 NO2 were between 35.0 and 35.4 where the legal limit is 40

77. The scale of growth in the Parish will increase traffic volume. The NPPF<sup>44</sup> requires large scale development to include a '*genuine choice of transport modes.*' This includes cycling and walking with the multi benefits of promoting a healthy lifestyle, reducing car usage and improving air quality.
78. There is strong and growing evidence that access to parks and open spaces and nature can help to maintain or improve mental health. A recent study based in the UK with over 20,000 participants estimated that people may only need to spend two hours each week outdoors in green spaces to derive significant wellbeing benefits.<sup>45</sup>
79. The DNP proposes the creation of a Dordon Green Network. This is a concept for the long-term linking of publicly accessible green spaces and routes around the Parish to create an attractive network of open spaces and connecting routes which are rich in biodiversity, heritage and landscape value. The outer route could be served by a network of smaller local routes leading from the community to the outer edge, and where appropriate to the wider countryside beyond.
80. The existing footpaths and narrow country lanes (particularly Dordon Hall Lane from Manor House Farm Cottage to Saint Helena Road and Dunn's Lane)<sup>46</sup> provide a network of routes that have been used by local people.
81. The 2021 Household Survey revealed the value and significance of this network of walking routes, and the desire to extend these as well as to make cycling safer, especially to get to Tamworth in the west and the Anker Valley in the east.

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<sup>44</sup> NPPF para 105

<sup>45</sup> See <https://www.newscientist.com/article/2206249-two-hours-a-week-spent-outdoors-in-nature-linked-with-better-health/> and WCC Public Health Reg 14 consultation response

<sup>46</sup> These are unclassified D roads unsuitable for large traffic volumes



to rank what type of community facility was most needed. Significantly 'more open spaces' scored the highest.

87. The provision of this Local Green Network will require the Parish Council to work with developers and landowners as part of a long-term aspiration to connect existing routes and to create a wider green network.<sup>48</sup> This is a community aspiration (see Appendix A). Opportunities will be taken to work with developers to ensure that existing public rights of way are protected.
88. Accessibility for all to existing and new green infrastructure is important to the community and the use of S106 contributions to improve access for all is supported.

***Policy DNP5 Creating a Local Green Network***

- 1. Otherwise acceptable proposals which will contribute to protecting and improving Public Rights of Way where practicable (or which diverts them where necessary<sup>49</sup>) will be supported.**
- 2. Proposals should, as appropriate to their scale, nature and location, demonstrate the way in which they would;**
  - a) protect and where possible extend footpaths and cycle routes,**
  - b) enhance the attractiveness of walking and non-motorised transport in and around the Parish,**
  - c) add to the connectivity between existing footpaths, roadways and cycle ways in and around the Parish,**
  - d) accommodate the requirements of people with limited mobility to access existing and any new Green Infrastructure provision.**
- 3. Development proposals should take into account the historic Coffin Trail (ProW) and its ancient hedgerow, proposals should ensure its north south route is protected.<sup>50</sup>**
- 4. A layout which promotes new connections to existing walking and cycling routes will ensure new development is integrated with the existing settlements and will be supported.**
- 5. Opportunities to improve non-vehicular linkages between existing routes from the edge of Dordon into its centre and to the open spaces within Dordon are supported.**
- 6. Proposals which enhance pedestrian safety along New Street and Long Street in accordance with national guidance (NPPF Paragraph 112 a) and c)) will be supported.**

<sup>48</sup> All contributions must relate directly to the development in order to be compliant with paragraph 57 of the NPPF

<sup>49</sup> In accordance with TCPA 1990 section 257

<sup>50</sup> It is accepted that the Coffin Trail may need to be intersected by roads and footpaths/cycleways

### 13 Protecting and Enhancing Heritage Assets

89. The term ‘heritage assets’ includes listed buildings and structures, locally listed buildings, non-designated assets, conservation areas and items on the Historic Environment Record.
90. There are 8 listed buildings or structures in the Parish<sup>51</sup>. These are shown on Map 8a:

Dordon Hall	Freasely Hall
Grendon Bridge <sup>52</sup>	Sycamore Cottage Freasely
Coventry Canal Milestone Bridge	Yew House Freasely
Garden walls and Gate Piers Freasley Hall	Hall End Hall Watling Street, Dordon

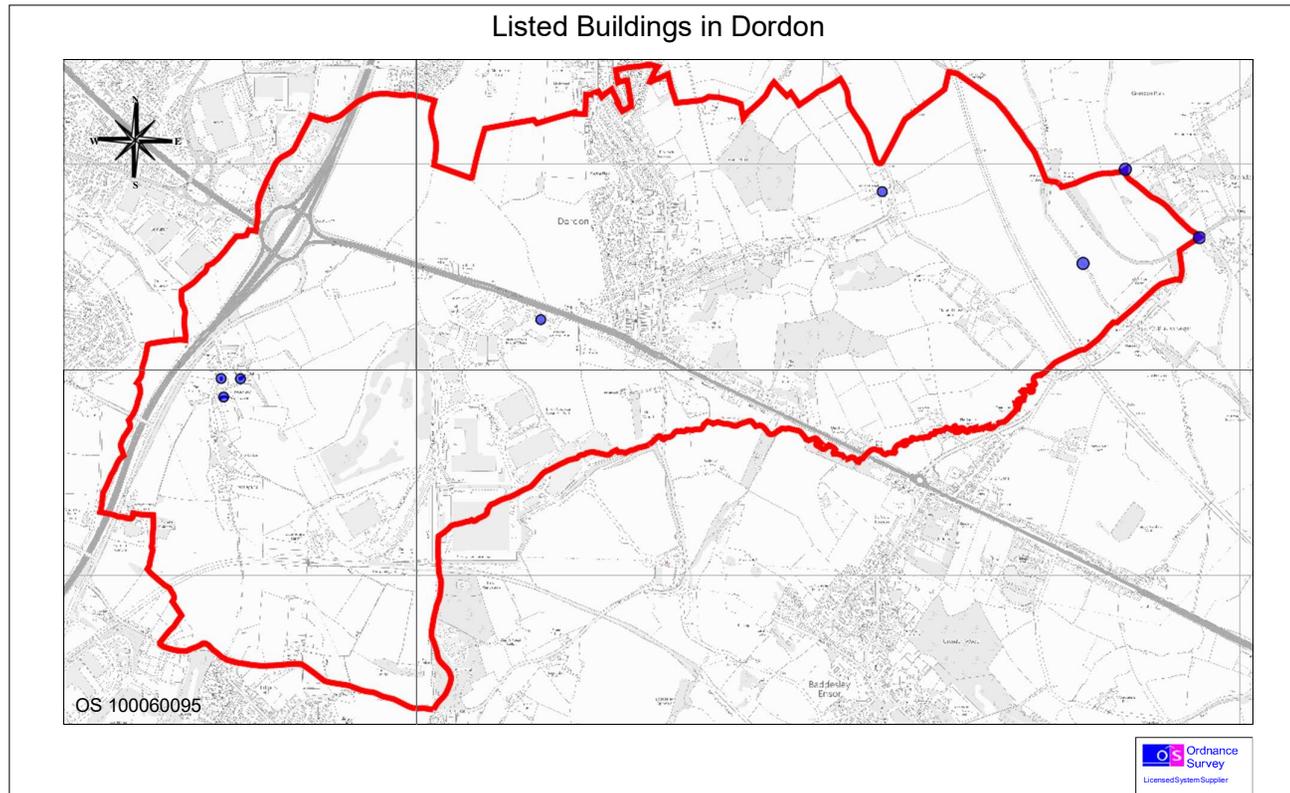
91. There are 39 entries on the Warwickshire Historic Environment Record relating to Dordon which demonstrates the long and varied history of the Parish. Entries include remains of an Iron Age settlement and industrial heritage from the mining industry. From recent archaeological surveys there is evidence of Neolithic and Bronze Age occupation within the Parish.
92. From the junction of St Helena and Dordon Hall Lane going north, the lanes drop down to Polesworth (see photo for Key View 7 at Appendix B). Travelling south along Dordon Hall Lane the route drops toward Grendon. Dordon Hall and the historic lanes combine to give this part of the Parish a historic rural character.
93. Dordon Parish Council remain in discussion with NWBC to identify an appropriate mechanism for recognising and protecting this historic part of the Parish.
94. NWBC are in the process of preparing a Local List. The NPWG have identified the following buildings and structures which they have nominated for Local Listing as part of the Neighbourhood Plan process. All the information to justify the local listing status is at <https://www.dordonparishcouncil.gov.uk/heritage-assets.html> and has been previously provided in accordance with advice from NWBCs Conservation Officer. This information is being reviewed by NWBC. The list is not exhaustive and work with the Conservation Officer is on-going.
95. The layout and design of development must demonstrate an understanding of the contribution of the heritage assets in the landscape. Development in the vicinity of the narrow country lanes (which were drovers’ lanes), particularly the stretch of Dordon Hall Lane running from Manor House Farm Cottage to St Helena, and Dunn’s Lane (see Map 8b), should make a similar assessment reflecting the relative significance of the historic lanes.<sup>53</sup>
96. The Hollow Way is a medieval route recorded on the Historic Environment Record; development should take into account the impact on it commensurate with its historic significance.

<sup>51</sup> The up-to-date list can be found at [www.historicengland.org.uk/list](http://www.historicengland.org.uk/list)

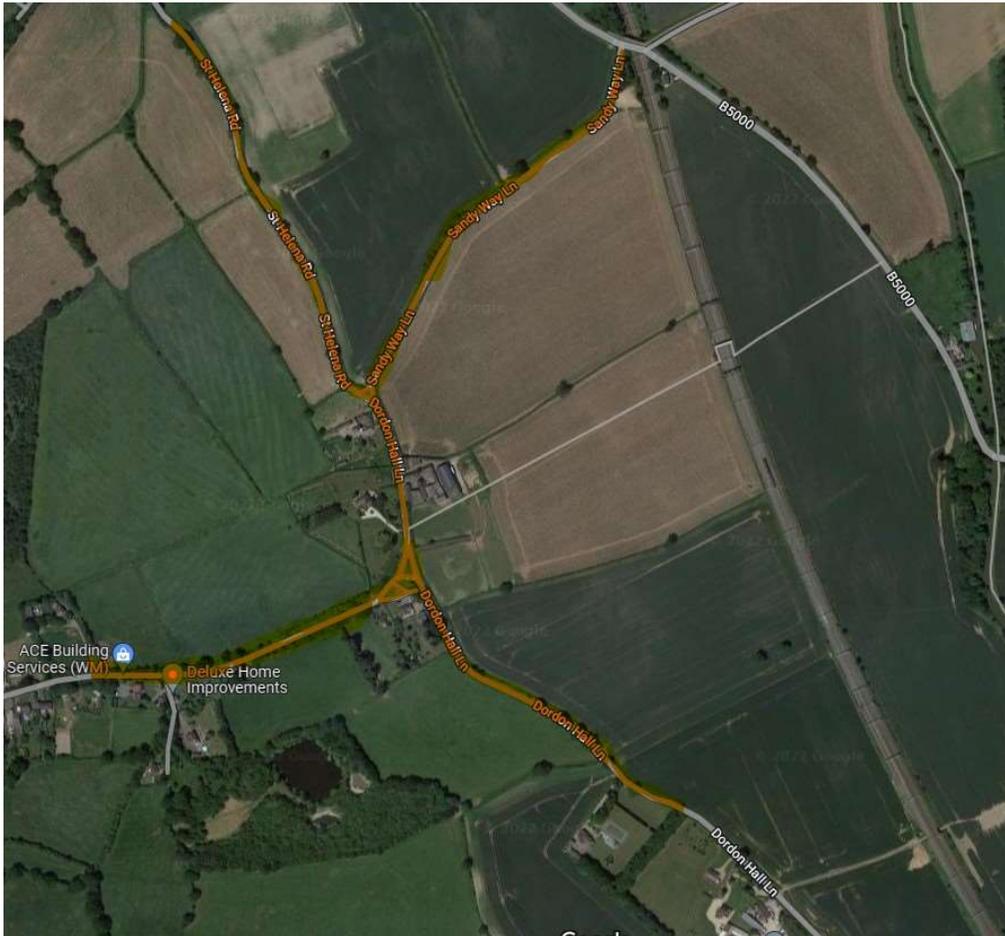
<sup>52</sup> Grendon Bridge in Dordon Parish is Grade 11\* and is on the 2020 Heritage at Risk Register see <https://historicengland.org.uk/advice/heritage-at-risk/search-register/results/?searchType=HAR&search=grendon+bridge>

<sup>53</sup> See NPPF para 193

Map 8a Listed Buildings and Structures



**Map 8b The Stretch of Drivers' Lanes that have historic and landscape significance within Dordon Parish (highlighted in orange)**



97. Where development affecting heritage assets is proposed, the Parish Council will seek to work with the owners to protect the asset where that may be necessary. Sensitive work to ensure there is no erosion of these heritage assets is also encouraged.

98. Dordon Parish Council have also been working with NWBC to seek the designation of a part of the Freasley village as a Conservation Area. This is a community aspiration and is included at Appendix A.

***Policy DNP6 Protecting and Enhancing Heritage Assets***

**1. Development should demonstrate an understanding of the history of the area. Proposals for development, including change of use, that involve a designated heritage asset, or the setting of a designated heritage asset will be expected to:**

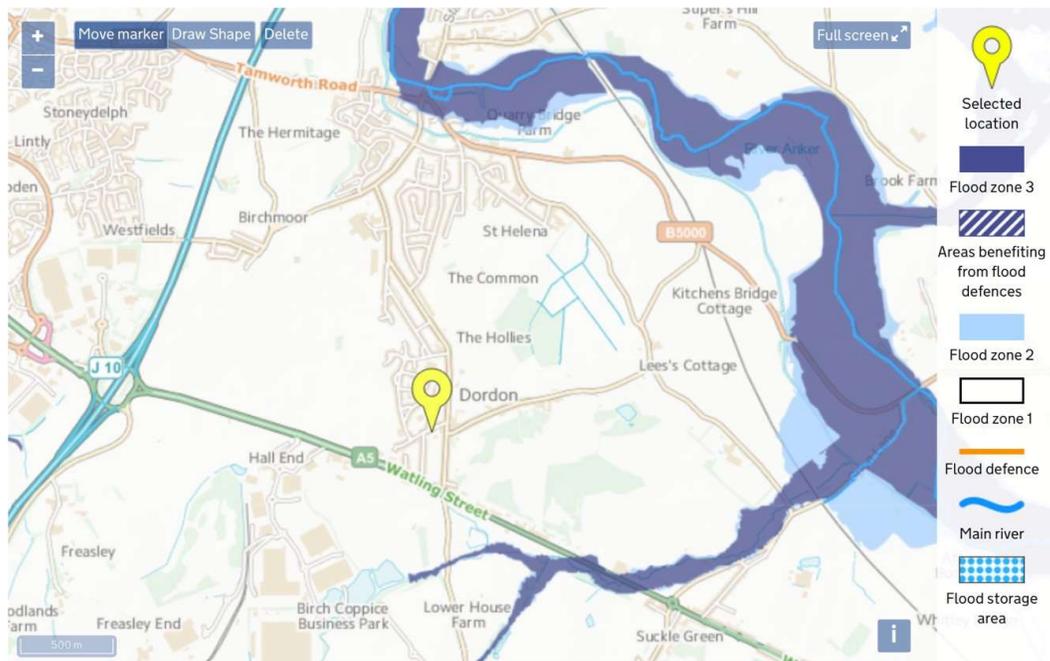
- a) conserve, enhance or better reveal those elements which contribute to the heritage significance and/or its setting;
- b) respect any features of special architectural or historic interest, including where relevant the historic curtilage or context, its value within a group and/or its setting, such as the importance of a street frontage, traditional roofscape, or traditional shopfronts.
- c) be sympathetic in terms of its siting, size, scale, height, alignment, proportions, design

- and form, building technique(s), materials and detailing, boundary treatments and surfacing, or are of a high quality contemporary or innovative nature which complements the local vernacular, in order to retain the special interest that justifies its designation;
- d) ensure significant views away from, through, towards and associated with the heritage asset(s) are conserved or enhanced;
2. Proposals that will lead to substantial harm or total loss of significance to a designated heritage asset will be dealt with in accordance with Paragraph 201 of the NPPF.
3. Proposals that would result in less than substantial harm to the significance of a designated heritage asset (including their setting) will only be supported where it can be demonstrated that the public benefits will outweigh any harm identified.
4. The following are nominated for inclusion on the Local List of Heritage Assets for further consideration by NWBC:
- Dordon Village Hall
  - Dordon Men's Institute
  - Dordon Congregational Church
  - Dordon War Memorial
  - Dordon Working Men's Club
  - Hall End Hall Farm Barn
  - St Leonards Church
  - St Leonards Church Hall
  - Dordon Hall Farm Buildings
  - Lee's Cottage
5. The restoration of listed buildings on Historic England's Heritage at Risk register, will be supported where the proposal is compatible with the designation provided that the proposal;
- a) recognises the significance of the heritage asset as an integral part of the proposal and its design and layout,
  - b) recognises the significance of the heritage asset as a central part of the design and layout,
  - c) has special regard to the desirability of preserving the asset and its setting and any features of special architectural or historic interest, and
  - d) removes or seeks to remove the risk to the heritage asset.
6. The former drovers' lanes are narrow country lanes, the stretch of Dordon Hall Lane running from Manor House Farm Cottage to St Helena, and Dunn's Lane (see Map 8b) have a historic and rural landscape character being mainly single width carriageways which are sunken and with mature, high hedges in places. Where possible, proposals should demonstrate they have regard to this historic rural landscape character in the proposals for the movement of vehicles, pedestrians and cyclists along them.

## 14 Flood Risk

99. Understanding how water flows across and pools on development sites is vital to creating a well-designed place. *'Water can be used to enhance biodiversity, create character and improve people's sense of wellbeing'*.<sup>54</sup>
100. Map 9a shows the extent of flood risk from rivers and streams in the Plan area. Note the linear open irrigation ditches to the west of St Helena Road on the land allocated for housing. These ditches are a legacy of the drainage system created to keep water out of the mineworks.

Map 9a<sup>55</sup>



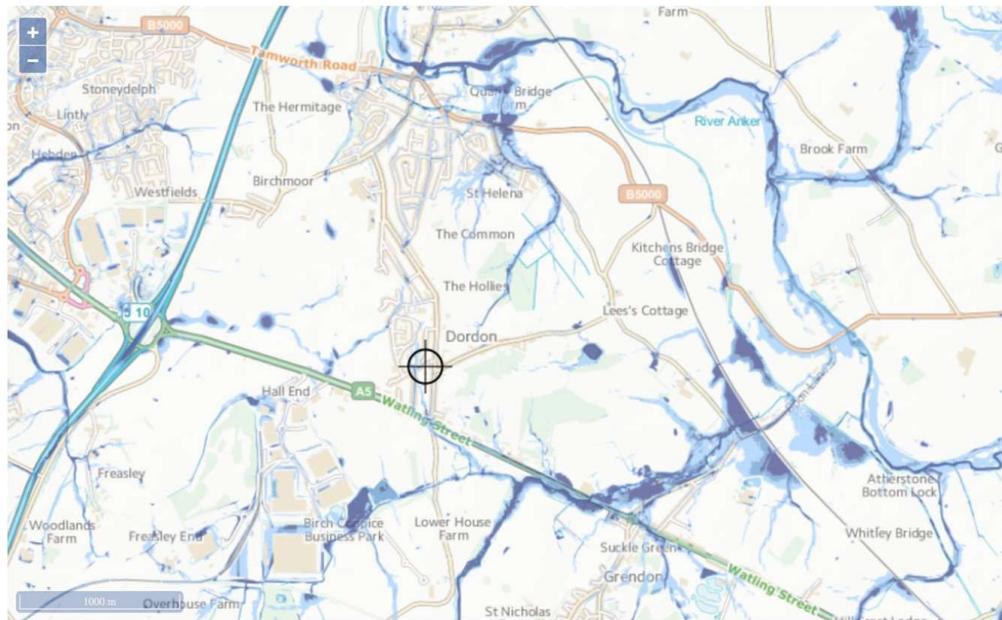
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<sup>54</sup> Building for a Healthy Life page 38 see <https://www.udg.org.uk/publications/othermanuals/building-healthy-life>

<sup>55</sup> From <https://flood-map-for-planning.service.gov.uk> accessed March 2021

101. Map 9b shows the extent of surface water flooding

**Map 9b<sup>56</sup>**



Extent of flooding from surface water

- High
- Medium
- Low
- Very low
- ⊕ Location you selected

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102. Map 9b shows the extent of surface water flood risk. However, it does not show all the ponds that are in evidence. For example, there is one approx. 70 metres north of Long Street Recreation Ground – which is 42 metres long and 18 metres wide (see Figure 2 below). This pond is not fed by a water course suggesting the present of underwater springs. The pond overflows into the adjoining field to the east on occasions. There is also a pond just up from the TPO Oak tree and two further ponds in Hollies Wood which have been cleaned and reinstated. The overflow water then runs onto the fields which lead through to St Helena Road.

103. The land to the east of Long Street Recreation Ground is known locally as The Tip. This was where water used to be pumped from the Birch Coppice workings. There was also a brick works near the site. The area is still very boggy and the water is fairly acidic due to contaminants in the soil.

<sup>56</sup> From <https://flood-warning-information.service.gov.uk/long-term-flood-risk/> accessed March 2021

**Figure 2 Pond not shown on Environment Agency maps and location of old Dordon Tip**



104. The soil around Dordon is very heavy clay; good for brick making and synonymous with covering good quality coal seams. It does not drain well. Dordon Hall Lane by the farm has a spring and in the winter the water runs down St Helena Road and tends to pool in ditches and across the road at the junction with Hollies Road. Water runs from Long Street, the Park and The Tip, over the fields and into the area of Dordon Common and the Coffin Trail (water pools in huge puddles).
105. Along Dunn's Lane (opposite the water pumping station) the water pools and makes a pond which is mainly in the field but does encroach onto the road in very heavy rain. If you look at old maps you can see that there was always a pond there. Spon Lane on the Dordon/Grendon border suffers from very severe flooding when flood water from the River Anker breaches the flood plain and cuts Spon Lane off for traffic. This happens several times each winter.

106. On the Orchard Site (where the designated green space is and all along the edges of the fields around it) the water lays in deep puddles. It has been suggested that due to the past mining activities there could be methane and water, this is typical of land that has been mined over many centuries.
107. A new development known locally as the Taylor Wimpey estate located to the north of St Helena Road, just outside the Parish, had issues with flooding in the corner of St Helena and the B5000. The council houses in St Helena Road started getting flooded cellars and the new bungalows on the corner of the estate had permanently soaking gardens.
108. This is contrary to the Flood Risk Assessment that accompanied the planning application that said, *'It is considered the proposed surface water strategy will not increase flood risk at the site or elsewhere, and the effect of the new development will provide betterment to existing run-off rates.'*<sup>57</sup>
109. This demonstrates the complexities of drainage in this area and shows the harm to new and existing properties if the drainage issues are not fully understood and addressed. The community are concerned that a failure to properly understand the drainage issues could lead to significant problems for the existing Dordon community.
110. Climate change means that excessive rainfall will make flooding more likely. New development must manage surface water run off on site and not exacerbate existing surface water flooding. In accordance with the Drainage Hierarchy (Planning Practice Guidance Paragraph 80) surface water should be managed sustainability and be directed to
- the ground,
  - to watercourse/ditch -course
  - to a surface water sewer, highway drain or another designated asset
  - to the combined sewerage system
111. Culverts are increasingly inadequate to cope with the fluctuations in water flow due to climate change. They are also hard to maintain and can get blocked up. WCC Flood risk team note that new development should be encouraged to open any existing culverts and the creation of new culverts should be kept to a minimum.
112. Developers should be guided by WCC's Flood Risk Management Local Guidance for Developers<sup>58</sup>.
113. Building for a Healthy Life scores as red schemes that funnel rainwater away in underground pipes as the default water management strategy. A red means stop and rethink.<sup>59</sup>
114. Sustainable Drainage Systems (SuDS) incorporate management of water flows as part of a broader strategy to deliver multifunctional spaces. SuDs have wider environmental and community gains. Major development is required to submit a site-specific Flood Risk Assessment to the Local Lead Flood Authority for review and to incorporate SuDs.

<sup>57</sup> See MEC Flood Risk Assessment Revised May 2014 for PAP/2014/0072 at <http://planning.northwarks.gov.uk/portal/servlets/ApplicationSearchServlet>

<sup>58</sup> See <https://api.warwickshire.gov.uk/documents/WCCC-1039-95>

<sup>59</sup> Building for a Healthy Life page 43 see <https://www.udg.org.uk/publications/othermanuals/building-healthy-life>

115. There are many examples of best practice where water has been integrated as part of a blue and green network to create wildlife rich spaces public spaces.<sup>60</sup>

***Policy DNP7 Reducing the Risk of Flooding***

1. All applications in these locations must be accompanied by a flood risk assessment which is informed by the most up-to-date Strategic Flood Risk Assessment for North Warwickshire Borough Council and by any other available relevant and up to date information covering all sources of flood risk.
2. Development within Flood Zones 2 and 3 will be required to show no increase in flood risk to the site and to others in line with the requirements of the NPPF, and where possible a reduction in flood risk to the site and others should also be encouraged.
3. Surface water management strategies should demonstrate how site-specific guidance in the Strategic Flood Risk Assessment ([Strategic Flood Risk Assessment downloads | North Warwickshire \(northwarks.gov.uk\)](#)) has been implemented and should be in accordance with Drainage Hierarchy (Planning Practice Guidance 80).
4. Drainage systems should maintain or, where applicable, enhance the aesthetic, recreational and ecological quality of the area and be available, where appropriate, as recreational space.
5. Major development should incorporate Sustainable Drainage Systems (SuDS). SuDS proposals should be managed in line with the Government's Water Strategy <sup>61</sup>. In particular SuDS proposals should;
  - a) provide multifunctional benefits (for example enhancing biodiversity) by providing natural flood management and mitigation through the improvement or creation of green infrastructure (for example ponds and wetlands, woodland and swales); and
  - b) take account of advice from the Warwickshire County Council as the Lead Local Flood Authority, the Environment Agency and Severn Trent Water (as the sewage management company).
6. Proposals will be supported that include the replacement of tarmac or an equivalent non-porous surface with a SuDS scheme in the areas identified as Flood Zone 2, Flood Zone 3 or as an area affected by surface flooding on Map 9a and Map 9b.
7. Where appropriate to the scale, nature and location, development proposals should restore watercourses to a more natural state through the removal of hard engineering, such as culverts and bank reinforcement, in order to reduce flood risk and provide local amenity and biodiversity benefits.

<sup>60</sup> See [https://www.susdrain.org/case-studies/pdfs/004\\_31\\_05\\_20\\_bertha\\_park\\_perth\\_2020\\_awards.pdf](https://www.susdrain.org/case-studies/pdfs/004_31_05_20_bertha_park_perth_2020_awards.pdf)

<sup>61</sup> <https://www.gov.uk/government/publications/future-water-the-government-s-water-strategy-for-england>

## 15 Achieving Well Designed Buildings

116. *Development that is not well designed should be refused, especially where it fails to reflect local design policies and government guidance on design’.*<sup>62</sup>
117. The National Design Code 2019 identifies 10 characteristics of good design based on national planning policy, practice guidance. The Design Code states that *‘specific, detailed and measurable criteria for good design are most appropriately set at the local level.’*
118. The Dordon Design Guidance and Code 2022 (DDGC)<sup>63</sup> has been prepared by AECOM and the local community and covers the whole of the Parish. It provides a robust local character analysis; this forms the basis for the specific local criteria and a set of design principles. The DDGC is an important part of the DNP. It is available on the DNP web site<sup>64</sup> and Policy DNP8 requires development to be in accordance with it.

### *Policy DNP8 Achieving High Quality Design*

- 1. Development proposals must demonstrate a high quality of design that will contribute positively to the character of the Parish. In order to achieve this, new development proposals should demonstrate regard for the Dordon Design Guidance and Code.**
- 2. All proposals are required to demonstrate in a proportionate way, depending on the nature of the application, how they;**
  - a) respond to the local character of both the surrounding area and the immediately neighbouring properties and provide a clear rationale for how this is taken into account in the design of the proposals,**
  - b) use native trees, dry ditches and hedgerows in landscaping schemes and boundary treatment where possible that reflect and enhance the surrounding character,**
  - c) use a colour palette reflecting the hues in local materials,**
  - d) be of a scale, density and mass that is sympathetic to the character of the immediate locality, including the rural setting,**
  - e) show how the buildings, landscaping and planting creates well defined streets and attractive green spaces,**
  - f) include a layout that maximises opportunities to integrate new development with the existing settlement pattern,**
  - g) including landscaping that maximises the use of wildlife beneficial plants, includes street trees where practicable and creates ecosystems that support birds and other wildlife, and**
  - h) where practicable, provides direct and safe access points for pedestrians, cyclists and those using public transport.**
- 3. Well-designed buildings should be appropriate to their location and context. This may include innovative and contemporary design solutions provided they enhance or reinforce local character and distinctiveness.**

<sup>62</sup> See NPPF para 134

<sup>63</sup> See <https://dordon.neighbourhoodplan.uk/supporting-docs>

<sup>64</sup> See Dordon Design Code at <https://dordon.neighbourhoodplan.uk/supporting-docs>

## 16 A Mix of House Types and Tenures

119. Evidence has shown<sup>65</sup> that a community thrives when it is made up of people from a mixture of ages and income levels. Ensuring that Dordon has a balanced provision of house types to meet the needs of young and older people on different incomes is an important aim of this Neighbourhood Plan.
120. The NPWG commissioned AECOM to undertake a Housing Needs Assessment. It is available on the DNP web site.

### *Affordability*

121. The findings show that house prices for 3 bed semis increased the most (by 79%) between 2001 and 2011 and that private rented increased by 60%. People on average household incomes cannot afford to buy a median market home for sale but they can afford an entry level home.<sup>66</sup> However, a couple on lower quartile household incomes cannot afford an entry level home. Single people on lower quartile earnings are unable to afford entry-level market rents, affordable rent and social rent which suggests that these tenures are not truly affordable to those on poorer incomes. However, *'they are likely to be available where occupants have access to additional subsidy, or housing benefits may enable single earners to live in a room in a shared house.'*<sup>67</sup>
122. There is anecdotal evidence of an increasing number of residents who work at the warehousing and distribution centres in the area and who live in homes in multiple occupation (HMOs). The HNA notes that the proportion of family households has contracted while the proportion of other households and non-dependent children have increased substantially. *'This growth in the number of HMOs and house sharers (around 52% over the decade) could indicate the relative unaffordability of market housing particularly for younger age groups.'*<sup>68</sup>
123. The HNA provides evidence of the cost of housing and affordability of different tenures. Table 4-5 from the HNA (see Appendix E), demonstrates this. Note that an individual on a lower quartile income cannot afford any housing tenure as a single occupant.
124. The HNA identifies a need for affordable rent and affordable routes to home ownership. *'A broad mix of 67% rented tenures and 33% routes to ownership is suggested in order to align with national policy requirement.'*<sup>69</sup>
125. The HNA uses the Strategic Housing Market Assessment (SHMA) 2013 for the Coventry and Warwickshire Housing Market Area and extrapolates the data for Dordon Parish.<sup>70</sup> If Dordon was to meet its share of North Warwickshire's need for social/affordable rented housing this would equate to 100 homes over the Plan period. AECOM also estimate the number of people in Dordon over the Plan period who are likely to enter the private rented sector but who can't buy based on their incomes. This identifies a potential further demand for 133 homes over the plan period. In total, this amounts to 233 affordable homes.<sup>71</sup>

<sup>65</sup> Joseph Rowntree Foundation Creating and Sustaining Mixed Income Communities

<sup>66</sup> Defined as a 1 or 2 bed dwelling

<sup>67</sup> HNA para 75

<sup>68</sup> HNA para 11

<sup>69</sup> HNA para 6

<sup>70</sup> See HNA section 4.5

<sup>71</sup> See HNA analysis para 85 and figure 5-3

126. The NPWG considered this calculation of affordable housing need as low. Table 4-5 (at Appendix E) shows that there are likely to be more individuals sharing a rental home who are unable even to afford social rent. The SHMA calculation does not include the needs of future residents who live elsewhere in the Borough and in adjoining areas.
127. LP9 of the Adopted Local Plan requires that on schemes of more than 10 dwellings, 30% of housing should be affordable with 40% on greenfield sites. On this basis, the expected Affordable Housing (AH) provision for Dordon during the Plan period is approximately 817 units.
128. It is the expectation of the local community that the scale of growth in the Parish will ensure a mix of housing tenure such that anyone who wishes to work in the area and live in the Parish is not prevented from doing so due to affordability issues.

#### *House Size*

129. The HNA notes that the majority of Dordon's housing stock is semi-detached houses and terraces which account for nearly 75% of the total share. These tend to be medium-size 2 to 3 bedroom dwellings. Respondents to the 2021 Household Survey felt that the house type most needed were starter homes (see Question 25).
130. The HNA considers changes in demographics, predicting an increase in households under 24 and over 65 for the existing population. Given the current dominance of 2-3 bed homes this would suggest that future need focuses on smaller or larger homes. However, this does not take into account the total increase in numbers of houses over the Plan period. The HNA states that '*Dordon is a relatively special case because the estimated delivery of new homes is extremely large in the context of the existing policy. As such, there is an imperative for the new homes to meet not only the needs of existing residents but also to cater to the wider needs of the incoming population (which can be represented by the findings of the SHMA).*'<sup>72</sup>
131. Policy DNP9 recognises that housing growth in the Parish will need to meet wider needs.

#### *Adaptable and Accessible*

132. One important element of sustainable development is ensuring that houses are designed to be adaptable to meet the changing needs of people over their lifetime. LP31 (2) of the Adopted Local Plan requires development to be '*adaptable for future uses and take into account the needs of all users*'. The experience with Covid and the need for more people to work from home has highlighted the importance of creating flexible spaces.
133. Accessible and adaptable homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation. This ensures that dwellings are appropriate for elderly people whilst still being suitable for occupiers such as first-time buyers.
134. Policy DNP9 seeks to focus these requirements on smaller dwellings as these are the homes that will be appropriate for elderly people whilst still being suitable for occupiers such as first-time buyers
135. The provisions of the policy have been designed to ensure that a range and mix of homes come forward in the Plan period. However, the Parish Council recognises that a range of financial

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<sup>72</sup>HNA para 17

issues may influence the ability of homes to be delivered. In this context any planning applications which do not deliver the package of homes intended by the policy for viability reasons should be supported by robust and appropriate information.

*Policy DNP9 A Mix of Housing Types and Tenures*

- 1. Development proposals for housing will be required to demonstrate that they take into account the most up to date published evidence of both housing needs in Dordon Parish and the wider needs of the surrounding area.**
- 2. Where possible, affordable housing should be made available to eligible households with a local connection to the Parish in the first instance.**
- 3. The affordable dwellings should include a mix of affordable home ownership and affordable dwellings for rent.**
- 4. Subject to viability assessment, homes that are accessible and adaptable homes (as defined in the Building Regulations) will be supported where they otherwise comply with Development Plan policies.**
- 5. Proposals for new dwellings which incorporate flexible layouts (to facilitate homeworking and/or adaptations required by the occupiers over their lifetime) will be supported.**

## 17 Renewable Energy and Low Carbon Technologies

136. The government identifies the planning system as having a significant role to play in tackling climate change. We must reduce the energy we use to heat and cool our homes. The design and layout of new development can significantly affect the efficiency of buildings in terms of their energy use and needs. Effective passive design maintains thermal comfort by utilising the sun's natural cycles and natural ventilation to reduce the need for activity or cooling systems.
137. Heating in buildings and industry create 32% of total UK emissions<sup>73</sup>. The Committee on Climate Change requires a 36% reduction in carbon emissions between 2016 and 2030 with a 20% reduction for the building sector as a whole. The UK Green Building Council (UKGBC) advocate energy use reduction before the use of renewables providing evidence that between 19 to 20% of improvement (beyond current building regulations standards) could be delivered entirely through energy efficiency measures including enhanced insulation, glazing and air tightness, high efficiency heating and hot water recovery.
138. Energy efficiency in design should incorporate water efficiency design and technology. Water efficient design also provides energy efficiency benefits through a reduced need to treat water for consumption and then treat wastewater along with savings for managing water within the home. Given the issues of drainage in parts of the Parish, water efficient development would also reduce the impact on existing infrastructure. North Warwickshire lies within an area of serious water stress concern<sup>74</sup>. The management of water resources is required to ensure that demand for water

<sup>73</sup> See <https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary>

<sup>74</sup> See <https://www.gov.uk/government/publications/water-stressed-areas-2021-classification>

can be achieved in a sustainable manner. Severn Trent advise that the consumption of water per dwelling should not exceed 110 litres per person per day.

139. Simple measures like the provision of water butts for all new houses would be one immediate and effective proposal that would enable residents to conserve and reuse water. The Parish Council would support the inclusion of water butts in all new residential development and will seek this provision where practicable.
140. The DNP seeks to encourage the move to low carbon energy. For example, encouraging the use of low emission vehicles is supported and the provision of charging points in the Parish would encourage this use. New development (commercial, community facilities or housing) should provide electrical infrastructure to enable people to charge electric cars. This does not require planning permission but will be encouraged as part of the pre application discussions with developers.
141. Trees, soils and a well-managed landscape, absorb CO2 and other pollutants – Policy DNP2 will also contribute to improving the carbon footprint of development in the Parish.

***Policy DNP10 Renewable Energy, Energy Efficiency and Low Carbon Technologies***

- 1. New development should incorporate sustainable design features to reduce carbon emissions, minimise the use of scarce resources and mitigate against and adapt to climate change.**
- 2. Innovative approaches to the construction of low carbon homes which demonstrate sustainable use of resources and high energy efficiency levels will be supported where the resultant-built form respects the character of the setting. Examples include, but would not be limited to;**
  - a) the use of alternative heat sources to gas,
  - b) siting and orientation to optimise passive solar gain,
  - c) the use of high quality, thermally efficient building materials,
  - d) installation of energy efficiency measures such as loft and wall insulation and double glazing,
  - e) the installation of solar panels,
  - f) the installation of electrical charging points,
  - g) ensuring every new home has a charging point for electric vehicles.
- 3. The retrofitting of energy efficiency measures is supported, including the retrofitting of listed buildings, provided that it safeguards the historic characteristics of these heritage assets.**
- 4. Developments should demonstrate that they are water efficient, where possible incorporating innovative water efficiency and water re-use measures.**

## 18 Protecting and Enhancing Community Facilities and Services

142. The expected growth of the Parish will see the population substantially increase. The provision of adequate community space (indoor and outdoor) fosters social cohesion and well-being, providing venues for a range of community activities for all ages.
143. Local facilities reduce car travel for residents who otherwise have to travel outside the Plan area. For those without a car or with limited mobility being able to access local meeting spaces will be key to their health and well-being.
144. With a growing number of older residents as well, easy access to local facilities would significantly enhance the quality of life of existing and future residents and would contribute towards sustainable development.
145. The cluster of retail shops along Browns Lane and New Street shopping parade is classed as a Neighbourhood Centre in the Local Plan. Table 2 lists the community facilities in Dordon Parish

**Table 2**

Long Street Recreation Area	Kitwood Recreation Area
Dordon Village Hall <sup>75</sup>	Dordon Men's Institute
Dordon Congregational Church (also used as a Dance School)	Library
Long Street Doctors and Pharmacy	Birch Coppice Allotments
Birch Coppice Clubhouse and Playing fields	Dordon Primary School and Nursery
Community Halls at Ashlea and Derek Avenue	Freasley Common <sup>76</sup>
St Leonards Church and Hall	

### *Changing provision and the Adopted Local Plan*

146. LP Policy E3 allocates the allotments, Birch Coppice Club House and Playing Fields as an employment site with these uses being relocated north of the A5. There is an opportunity to create improved facilities in the new location and the community should be involved in the design and layout of these replacement facilities.
147. The community will also seek to work with landowners and developers to develop Dordon Dell.<sup>77</sup> This is a community aspiration, it is not allocated for this purpose and will require the landowner's approval, see Appendix A.

<sup>75</sup> The 2021 Household Survey reflected some frustration with the limitations of the existing Village Hall. It is seen as an underused community asset and requires improvement. Proposals for the Village Hall will be complemented by an environmental improvement scheme intended to revitalise the Neighbourhood Centre, (see Appendix A community projects).

<sup>76</sup> Proposed as a Local Green Space see NPP 3

<sup>77</sup> A parcel of land was a former brickwork site and is not suitable for development. However, its location and topography make it a good site for a community 'dell'. It is also rich in wildlife and suitable adaption would contribute to the creation of wildlife friendly habitat.

***Policy DNP11 Protecting and Enhancing Community Facilities***

- 1. In order to promote a thriving Parish for all ages, the community facilities listed in Table 2 will be safeguarded for community uses throughout the Plan period (with the exception of Birch Coppice Clubhouse, allotments and playing fields, which will be relocated in accordance with Local Plan Policy E3). Proposals for the enhancement of these facilities will be supported.**
- 2. Where the proposals relate to the relocation of Birch Coppice Club House, allotments and playing fields to land north of the A5, they should demonstrate an improvement in quality of provision compared to that which is being lost.**
- 3. Any new facilities including retail, health and educational facilities should be located and designed in such a way that encourages and enables safe pedestrian and cycling access from as many parts of Dordon as is practicably possible.**

**19 Supporting the Local Economy**

148. Access to the M42 and the A5 makes Dordon Parish attractive to businesses. Birch Coppice Business Park is situated south of the dual carriageway and comprises a large business park with substantial commercial buildings accessed from a series of roundabouts. The Business Park contains 21 companies and employs 6500 people.
149. More recently a 321,204 sq ft warehouse has been built on the south of the A5 and near to the M42 junction. (This development secured planning permission on appeal<sup>78</sup>.) This is part of a 32 acre distribution site being built out by St Modwen. The cumulative impact of the scale and dominance of these employment buildings means that the entrance to the Parish has contextually changed dramatically.
150. Immediately to the east of Birch Coppice Business Park, Core42 has also been recently developed. Marketed as a prime logistics park with units of up to 3000 sq metres it adds to the range of very large warehouse buildings on the south of the A5 and on the approach to Dordon village.
151. The relocation of the Birch Coppice Social Club, associated playing fields and allotments as proposed in the emerging Local Plan will result in two more employment sites becoming available south of the A5 (see Map 6 above showing employment allocation E2 and E3).
152. The Birch Coppice Business Park web site notes that 38% of employees live within 5 miles. An important aspect of planning is to reduce car usage. The DNP supports an expansion of employment uses in existing locations (and on the proposed employment site allocations). It is also important to ensure that local people can access these employment opportunities on foot or bike – which is why there is such an emphasis on the importance of cycling and footpath connections from existing and new residential areas to these employment locations.

<sup>78</sup> See Appeal Ref APP/3705/W/15/31336495 and planning app ref PAP/2014/0648

153. The community support future development on the south of the A5 especially on E2 and E3, but only where the scale and appearance of the buildings reflects their location on the approach to the residential area.
154. Part of the area to the south of the A5 is also a Local Wildlife Site and includes a network of public footpaths. Development should be sensitive to the need to protect this biodiverse environment and to ensure the walking routes are safe and pleasant for walkers.

### *Shops*

155. Within the Parish are a range of shops including hairdressers, beauty salons, convenience food stores, a cafe, coffee shop, a bar, a restaurant, flower shop, car showroom, take aways, off licence, and petrol station.
156. Browns Lane and New Street Shopping Parade is a designated Neighbourhood Centre (see LP21). The NWBC policy seeks to restrict the use of hot food takeaways. The DNP supports this approach – obesity levels in the Parish are high with 35% of Year 6 pupils in the Parish carrying excess weight.<sup>79</sup> The responses to the Household Survey were strongly in favour of reducing the number of take aways in the Neighbourhood Centre<sup>80</sup>. Recent government changes in the use class order may make NWBCs policy hard to implement.
157. The community survey confirmed that Browns Lane and New Street Shopping Parade were still seen as the neighbourhood centre (location is shown on Map 10) although the newly located Co-op further north on the corner of Whitehouse Road and Roman Way is well used and valued for its offer of convenience and fresh food. The Best One is also useful and is located further north on Whitehouse Road.
158. Public realm improvements (for example trees and seating on the corner of New Street and Browns Lane) would help in attracting shoppers and new businesses and make the area more of a focal point for the village.

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<sup>79</sup> Stats from Public Health England <https://fingertips.phe.org.uk/profile/national-child-measurement-programme/data#page/0/gid/1938133288/pat/101/par/E07000218/ati/8/are/E05007465/cid/4/tbm/1>

<sup>80</sup> See Question 4c of the Household Survey

**Map 10 Extract from NWBC Adopted Local Plan Policies Map**

Date:03:09:21 North Warwickshire Local Plan  
Adopted September 2021  
Neighbourhood Centres



North Warwickshire  
Borough Council



OS100060095

**Working from Home**

159. The 2011 Census identified that 12% of those of working age worked mainly from home. With improving technology and a gradual shift in ways of working, combined with faster broadband speeds this figure will have increased since 2011. The covid pandemic has significantly accelerated the trend towards home working. The reduced commuting provides additional benefits in terms of reduced car usage.
160. For most types of homeworking, it is now essential to have fast broadband speed (at least 100 mps)<sup>81</sup> along with sufficient space in dwellings for a home office space. Policy DNP12 supports the provision of fast broadband speed (the importance of a flexible layout to accommodate a home office if necessary is addressed in the housing policy above).
161. It is also important that businesses wherever they are located have access to fast broadband. This allows businesses to be responsive to customer needs, deal with suppliers more effectively and help to provide a live work balance for employees. This means businesses can be more flexible and respond to ever changing circumstances making them more resilient in the longer term.

<sup>81</sup> See <https://www.airband.co.uk/what-is-a-good-download-and-upload-speed/>

***Policy DNP12 Supporting the Local Economy***

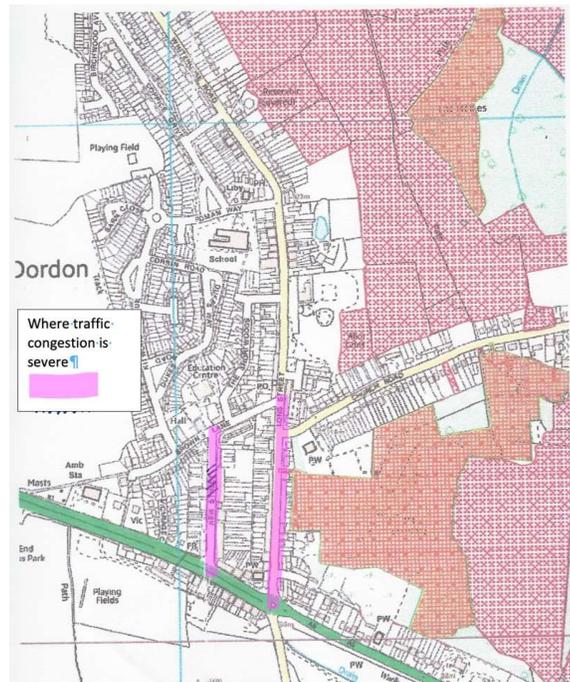
- 1. Development proposals that enable the sustainable growth of businesses both through the conversion of existing buildings and well-designed new buildings will be supported where they are located in accordance with Borough policies.**
- 2. Business development will be supported where it is located in accordance with Local Plan Policy LP6 (Additional Employment Land)**
  - a) on brownfield sites, or**
  - b) on allocated employment sites, or**
  - c) where small scale employment uses already exist in a suitable location, or**
  - d) as part of mixed-use schemes or**
  - e) where evidence demonstrates an immediate need for employment land that will support economic growth which cannot be met via forecast supply or allocations where this takes into account the living conditions of Dordon Parish Council residents living nearby or**
  - f) located in accordance with LP6**
- 3. Development on land south of the A5 for employment uses should demonstrate how they have taken into account the wildlife, footpaths and presence of water.**
- 4. All new development should be provided with appropriate street ducting to allow connection to any superfast broadband service which may be (or may become) available.**
- 5. Proposals including tree planting and seating which improve the public realm in the vicinity of the Neighbourhood Centre (see Map 10) will be supported.**
- 6. To ensure the Neighbourhood Centre retains a mix of retail uses to meet local needs, the change of use to take aways will be restricted in accordance with Local Plan Policy LP21 (Services and Facilities).**
- 7. Proposals for retail uses should ensure that there is no unacceptable impact on the vitality and viability of existing retail centres.**

**20 Traffic Congestion in Dordon village**

162. By far the greatest movement of traffic in and out of Dordon village is from the A5 from either New Street or Long Street. (Dordon can also be accessed from the east on the B5000 Grendon Road and Church Road that narrows to become Dunn's Lane.)
163. Development around Dordon Parish including the employment sites along the A5, has resulted in a significant increase in congestion in Dordon village particularly at school drop off and pick up and rush hour.
164. The 2021 Household Survey asked 'Do you think Dordon has got better or worse over the last two years?' 52% thought the area had got worse. In the open responses it was clear that traffic congestion was a major reason for this response.

165. The map below shows the congestion hot spots based on analysis by the NPWG.

**Map 11 Traffic Congestion Dordon**



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**Long Street**

166. At busy times a queue of traffic builds up at the roundabout awaiting access to the A5. Long Street does not just serve Dordon. Long Street is a through route to the M42 for residents of Polesworth and villages beyond such as Warton. In Polesworth the route to the M42 is signposted through Dordon and is the most direct route for commuters to Birmingham etc.

167. The traffic problem is greatly aggravated by the fact that many of the terrace houses that line much of lower Long Street have no parking. The parking bays marked on the road mean that often vehicles only go one way at a time particularly if they are larger vehicles, vans, lorries and buses. Damage and loss of wing mirrors has occurred to parked vehicles. Further the changeover space between parking on the left side to the right is only a short section and easily can be filled with stationary cars waiting to get through and so can end up blocked or grid locked at busy times. This is further exacerbated by frequent parking on double yellow lines further limiting space to move, or traffic to cross over, with little evidence of enforcement.

168. There is a second area of parking affecting traffic in Long Street noted in responses to the 2021 Household Survey. This is at the brow of the hill beside the recreation ground where there is parking on the west side. The brow of the hill impairs visibility of oncoming traffic when moving out to pass the parked vehicles.

169. The volume of traffic on the A5 through Dordon is reflected in the poor Air Quality. The 2021 Air Quality Status Report identified that on Watling Street nitrate levels were very near the existing legal limits in 2020.<sup>82</sup>
170. A one-way system has been considered by the Parish Council over the years and representations have been made in the last 10 years to NWBC, WCC and Highways England. This would have involved traffic accessing Dordon up Long Street and exiting onto the A5 via New Street. This would significantly improve traffic movement on both Long Street and New Street. Along the south end of Long Street one way traffic movement would mean that parking was no longer a major problem. Traffic flow in and out of Dordon would therefore be significantly improved and congestion reduced.
171. In the past Highways England has responded that access onto the A5 from New Street was not satisfactory for the increased volume of traffic and the idea has not gone forward. However, the current proposal is to move the Dordon roundabout east when the dualling (for which finance is earmarked) of the A5 occurs between Dordon and Grendon Islands. This might provide an opportunity to re-engineer the New Street / A5 junction and the Long Street/A5 junction to make a safe and efficient exit onto the A5.
172. Since then, planning permission has been granted for additional large industrial warehouses as part of the Core 42 employment site. This included putting in a further signal-controlled junction on the A5. It is understood that the new Dordon roundabout will also be signal controlled. Therefore, including the one way exit from Dordon in this signaling might render the junction safe and satisfactory for Highways England.
173. The community agree with NWBCs assessment in 2014 that *'the junction of the A5 and Long Street needs to be improved or changed if development in this area can be taken forward. In addition, Long Street itself may constrain the number of developments that take place to the north of the A5 and needs to be addressed in any development proposals that look towards the A5 for access.'*<sup>83</sup>
174. The Parish will inevitably see even more traffic on the A5 which will in turn cause even more congestion for those living in Dordon as it will be even harder to exit from Long Street at peak times.
175. Reducing traffic congestion in Dordon Parish is an aspirational policy and is set out at Appendix A, because highway planning is classed as a strategic matter (and is not within the remit of the neighbourhood plan) and it does not relate to any specific development site. However, it is the matter of greatest concern to local residents and as part of its on-going work the Parish Council will continue to lobby the Borough and County Council to address this significant transport issue.

#### *Car Parking on Long Street and New Street*

176. On street parking exacerbates the problem, Long Street is narrow and lined with terraced houses most of which do not have off street parking. Pedestrian safety is impacted by cars parked on pavements. At one point in Long Street houses open directly onto a rather narrow pavement, where in order to pass each other, at times cars can mount the pavement because of permitted parking on the other side of the road. This constitutes a risk to individuals or children stepping out

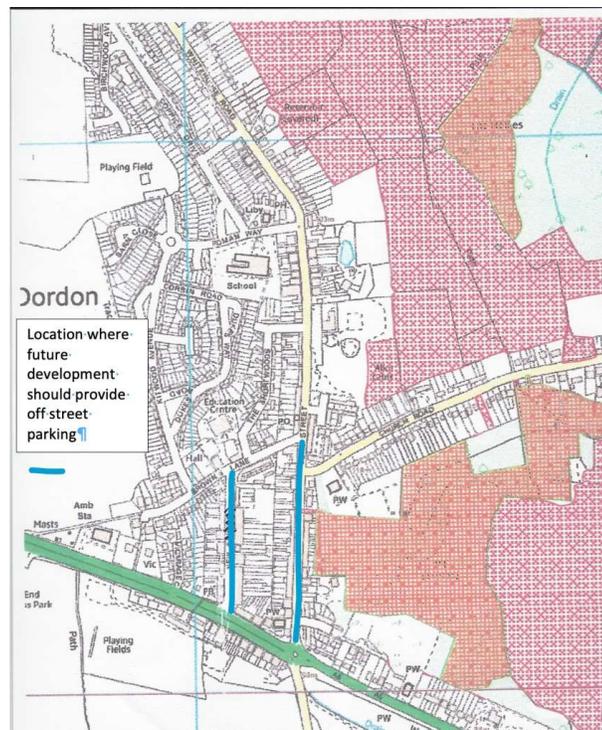
<sup>82</sup> See [https://www.northwarks.gov.uk/downloads/file/8932/air\\_quality\\_progress\\_report\\_2021](https://www.northwarks.gov.uk/downloads/file/8932/air_quality_progress_report_2021) . See table B.1 for tubes diffusion results for tubes at 426025, 426026 and 425943 NO2 were between 35.0 and 35.4 where the legal limit is 40.

<sup>83</sup> See NWBCs 2014 Core Strategy Para 7.88

of their front doors. In the past the possibility of putting bollards or a railing up to prevent cars going onto the pavement has been raised by the Parish Council. However, they have been advised that Bollard or railings would make the pavement too narrow for push chairs / prams etc., so it cannot be done.

177. Map 12 identifies those areas where future development should provide on street parking and is based on local knowledge and use of Long Street and New Street by members of the NPWG over 25 plus years.
178. The NPPF<sup>84</sup> allows local parking standards to be set and the community feel that the evidence justifies this. Where new development is proposed (on infill sites or as part of the redevelopment of a site) in the areas marked on the map below, off street parking should be provided.

**Map 12 showing areas where off street parking should be provided on new development schemes**



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**Public Transport**

179. The community support improvements proposed to public transport which should provide a more attractive alternative to the car and would reduce congestion. The Warwickshire Bus Service Improvement Plan in October 2021 is supported as it will make bus travel more pleasant and easier. The provision of upgraded bus shelters and real time bus service information will encourage more travel on public transport, reduce car usage is supported.

<sup>84</sup> NPPF para 107

180. The scale of development in the Parish also provides some opportunity to use planning gain to secure improvements to bus stop facilities like shelters and real time passenger information both on H4 and in Dordon.

*Policy DNP13 Car Parking along Long Street and New Street*

**Development proposals in the locations identified on Map 12 will be required to demonstrate that residents' and visitors' parking requirements can be accommodated off street to facilitate traffic flow and accessibility for service and emergency vehicles. Proposals should ensure that off-street parking is integrated into the layout of the scheme or provided off-site.**

## 21 Development Contributions

181. Developer contributions (sometimes called planning obligations or S106 agreements) seek to mitigate the negative impacts of development, address infrastructure needs, contribute towards place-making and meet Local Plan policy requirements. NWBC do not have an adopted Community Infrastructure Levy policy.
182. The scale of development proposed based on the growth in the NWBC Local Plan will put pressure on the infrastructure in the Parish. The impact on existing services and facilities and the increase in traffic volume are all matters of legitimate concern.
183. The requirements for developer contributions should be discussed as part of the planning application process, where applicable, Dordon Parish Council, NWBC and other agencies i.e., Warwickshire County Council.
184. Plainly there will be detailed discussions on the nature and the scale of any development contributions associated with individual development proposals in the Plan period and it is likely that the majority of developer contributions will be taken up by infrastructure given the scale of development proposed.
185. Nevertheless, where such an approach would relate both to national policy and to local discussions, and as part of the work on the DNP, the Parish Council would support a package of measures which include contributions towards relevant projects listed in Appendix A of this Plan. In the event that the Borough Council introduces a Community Infrastructure Levy in the future, the policy could be reviewed to take account of its contents.

*Policy DNP14 Development Contributions*

- 1. Subject to their scale and significance, development proposals should demonstrate a consideration of their impact on local infrastructure (including highways services and general facilities) and how any required works would mitigate the identified impacts in a satisfactory way in accordance with national regulations (s106 and CIL where applicable).**

## 22 Implementation

186. The policies in this plan will be implemented by North Warwickshire Borough Council as part of their development management process. Where applicable Dordon Parish Council will be actively involved, for example as part of the pre-application process as outlined in the Key Principle. The Parish Council will also use this Neighbourhood Plan to frame their representations on submitted planning applications.
187. There are several areas of activity which will affect delivery and each is important in shaping Dordon Parish in the months and years ahead. These comprise:
- a) the statutory planning process: this Neighbourhood Plan will direct and shape developer and investor interest in the Neighbourhood Plan area. However, this is also in the context of the wider North Warwickshire Borough Council planning policies and the National Planning Policy Framework,
  - b) investment in and active management of public services and community assets, together with other measures to support local services for the vitality and viability of the village,
  - c) the voluntary and community (third) sector will have a strong role to play particularly in terms of local community infrastructure, events and village life,
  - d) the role of the Parish Council in delivering the projects that have been identified as part of this Neighbourhood Planning process,
  - e) the Neighbourhood Plan will become part of a hierarchy of planning documents. The Parish Council will also look to Borough and County Council investment programmes where a policy can be shown to be delivering Borough and County objectives.

## 23 Monitoring and Review

188. The impact Neighbourhood Plan policies have on influencing the shape and direction of development across the Plan area during the Plan period will be monitored by Dordon Parish Council.
189. If it is apparent that any policy in this Plan has unintended consequences or is ineffective it will be reviewed. It is the expectation of the Neighbourhood Plan group and the Parish Council that there will be a review of the Plan 5 years after it has been made.
190. Any amendments to the Plan will only be made following consultation with North Warwickshire Borough Council, local residents and other statutory stake holders as required by legislation.

## Appendix A Community Aspirations

This separate annex of the DNP contains a number of community aspirations. Some take the form of projects which will be pursued by the Parish Council, others take the form of actions where the Parish Council will seek to work alongside other organisations and landowners whilst some are expressions of the local community’s vision and ambitions for the future of the Parish.

All of the community aspirations have resulted from work carried out during the production of the DNP but are not subject to planning policies. This annex therefore does not form part of the statutory development plan, but nevertheless is an important element for the community in achieving the vision set out in the DNP for the Parish.

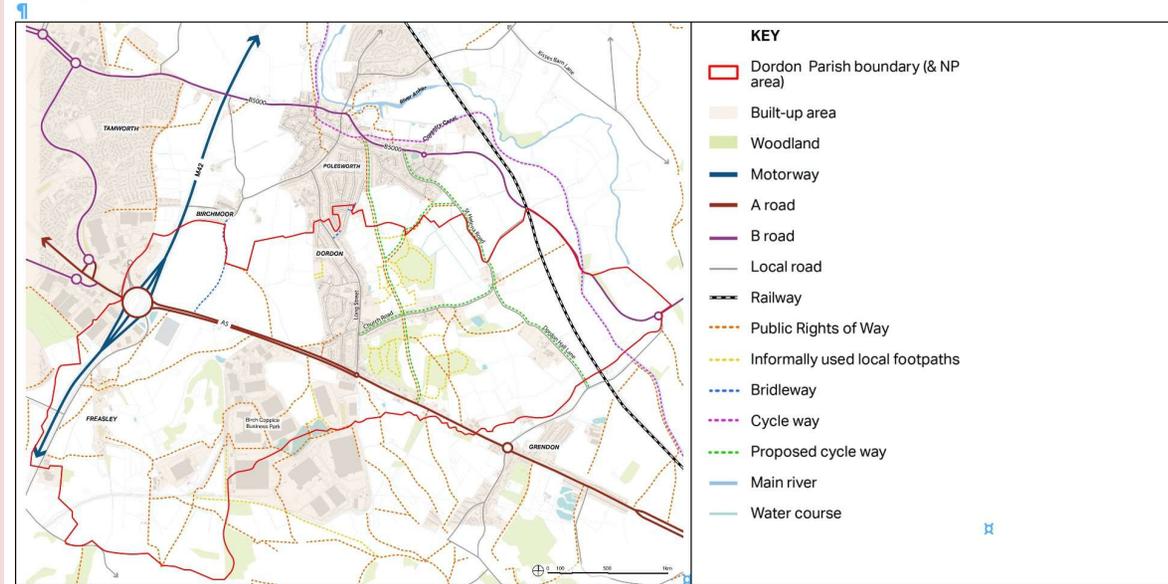
<p><b>Community Aspiration 1 Tree Planting</b>                  Linked to Community Objective (CO) 1 Environmental Protection and Policy DNP2 Protecting the Natural Environment and Enhancing Biodiversity, Policy DNP4 Protecting Landscape Character</p>	<p>To increase the number of trees, wooded areas and hedges in the Parish. Working with the community and landowners to seek funding opportunities and to identify locations across the Parish for new tree planting.</p>
<p><b>Community Aspiration 2 Community Engagement on Birch Coppice Club</b>                  Linked to CO 3 Community Services and Facilities and Policy DNP11 Protecting and Enhancing the Provision of Community Facilities</p>	<p>To work with the landowners, Birch Coppice Club and NWBC to help shape the provision of improved facilities when they are relocated and to ensure that the layout and design does not visually impact the Significant gap.</p>
<p><b>Community Aspiration 3 Enhancing the Public Right of Way Network</b>                  Linked to CO 2 Access to the Countryside, CO 4 Integration, CO 5 Getting Around and Policy DNP5 Creating a Local Green Network</p>	<p>To work with NWBC, local landowners and WCC to identify and reinstate any PRoWs that have been lost.                   To work with developers and landowners as part of a long-term aspiration to connect existing routes and to create a wider green network.</p>

To work with local landowners and WCC to secure permissive routes where possible and including from Kitwood Recreation Ground to the relocated Birch Coppice Sports Club.

To work with NWBC and local landowners to provide a pedestrian route from Long Street Recreation Ground (proposed as a LGS) to the east.

To work with NWBC, WCC and Polesworth Parish Council to create new cycling routes both within the Parish and connecting to the wider network as shown in the map below.

Extract from AECOM Masterplan analysis of the Parish showing Dordon's Local Green Network—existing and proposed cycle and walking routes

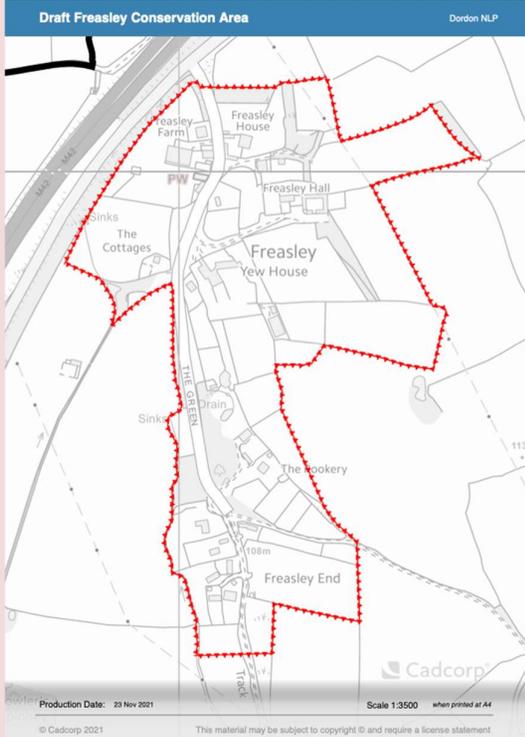


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Note that informal routes shown indicate informal places where people walk

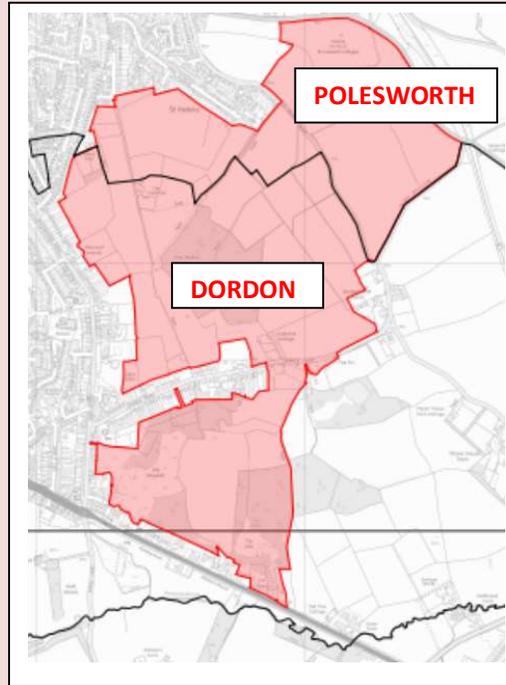
The area outside the DNP boundary is outside the remit of DNP policy 5 but shows the wider context and where the routes can connect to the wider area

<p><b>Community Aspiration 4 Designation of a Conservation Area for Freasley Linked to CO 6 Protecting the Historic Environment and Policy DNP6 Protecting and Enhancing Heritage Assets</b></p>	<p>To seek the designation of a part of Freasley village including the common and its environs as a Conservation Area. (see map of suggested boundary below)</p>  <p>OS 100060095</p>
<p><b>Community Aspiration 5 Narrow Country Lanes</b>  <b>Linked to CO 6 Protecting the Historic Environment and Policy DNP6 Protecting and Enhancing Heritage Assets</b></p>	<p>To seek the appropriate recognition for the narrow country lanes (former drovers' lanes) see map 8b that converge near Dordon Hall, in particular, the sunken ancient Holloway as referenced in the HER 8375 Grid ref SK 27 00</p>

<p><b><u>Community Aspiration 6 Energy Efficiency</u></b>          Linked to CO 11 Climate Change and Policy DNP10 Renewable Energy and Low Carbon Technologies</p>	<p>To work with developers to identify opportunities to maximise energy efficiency and use renewable energy in all aspects of development.</p>
<p><b><u>Community Aspiration 7 Community Facilities</u></b></p> <p><b><u>Community Aspiration 8 Village Hall</u></b></p> <p><b><u>Community Aspiration 9 Dordon Dell</u></b></p> <p>All linked to CO3 Community Facilities and Local Services, Policy DNP11 Protecting and Enhancing the Provision of Community Facilities</p>	<p>To work with NWBC, the landowners and the local community to ensure that community facilities meet local needs.</p> <p>To seek funding to renovate the Village Hall (including using renewable energy and altering the interior to make it more suitable for modern users. Linked to proposal to improve the public realm (including adding trees and seating) around the Neighbourhood Centre making this area a community hub.</p> <p>To work with the landowners to create a habitat rich community space called Dordon Dell on the site next to Long Street Recreation Area. In the map below Long Street Recreation area is shown in green stripes with the proposed Dordon Dell in dark green.</p>  <p>The idea has community support and the proposal is in accordance with the Borough Priorities in NWBCs Green Space Strategy <i>'Where appropriate, and in consultation with the local community, allow some informal open</i></p>

	<p><i>space to be developed for alternative green space uses such as new play space or for management as natural green space’.</i><sup>85</sup></p>
<p><b>Community Aspiration 10 Traffic Congestion</b>  <b>Linked to CO 5 Getting Around</b></p>	<p><b>To lobby and work with NWBC and WCC to provide a solution to the severe traffic congestion on Long Street and New Street. To explore the introduction of a one-way system to improve traffic flow.</b></p>
<p><b>Community Aspiration 11 Community Engagement on H4</b>  <b>Linked to CO1 Environmental Protection, CO2 Access to the Countryside, CO3 Community Services and Facilities, CO4 Integration, CO6 Protecting the Historic Environment, CO7 Village Identity, CO8 Design Principles, CO9 Housing Type</b></p>	<p><b>Policy H4 of the recently adopted North Warwickshire Local Plan allocates land to the east of Polesworth and Dordon for a minimum of 2000 homes (with 1675 provided within the plan period). This is meeting a wider housing need and about 60% of H4 is in Dordon Parish with the remainder of the site falling within Polesworth Parish. As a result, it is not possible to include a planning policy on the site as the site does not fall wholly within the DNP plan area.</b></p> <p><b>Nevertheless, the allocation was an important driver in bringing the community together to work on the DNP and as the development will double in size the number of dwellings in Dordon and will change the character of Dordon Parish, it is critical that the DNP acknowledges the allocation. The inclusion of this community aspiration sets out the local community’s wishes for the allocation and more than begins the conversation with the developers, signalling how the new can be successfully integrated with the existing village.</b></p> <p><b>The Map below shows the extent of H4 that is within Dordon Parish.</b></p>

<sup>85</sup> See page 16 Green Space Strategy at <https://www.northwarks.gov.uk>



Local residents still have significant concerns about the loss of the open countryside and the impact on the highway network, but work carried out as part of, and during the production of the DNP has focused on maximising the benefits of the allocation for local residents.

To this end, the NPWG has developed a positive approach to the development of the site and identified key criteria that the Parish Council will take forward on behalf of the local community. The approach taken has been based on a mix of local knowledge and understanding, community engagement and work carried out by AECOM. Key criteria were prepared early on in the DNP process that were informed and supported by the National Design Guidance 2019, the NPPF, Building for a Healthy Life 2020 and the Local Plan. The key criteria formed the basis for the discussions with AECOM. The Key Criteria are on the DNP web site as background information.

The key criteria informed AECOMs Design Guide and Code and the Masterplan Framework, these are available at

<https://dordon.neighbourhoodplan.uk/supporting-docs>

It is recognised that the Masterplan Framework plan is one expression of how H4 can be built out. Whilst it is the community's preferred expression, technical studies may require alternate layouts.

It is therefore the community's aspiration, in supporting development in accordance with Policy H4 of the Local Plan, that any proposals:

- Are well designed and take account of the Dordon Design Guide and Code 2021 and the Masterplan Framework

	<ul style="list-style-type: none"> <li>• <b>Relate well to the local and wider context ensuring that integration and connection with the existing village is successful and designed with the existing community, as well as the new community in mind, and avoids the creation of a separate settlement</b></li> <li>• <b>Create a new focal point for both the existing and new community, promoting integration and a shared sense of being in a conveniently located local centre without adversely affecting the vitality and viability of existing services and facilities</b></li> <li>• <b>Provide direct and safe access points for pedestrians, cyclists and public transport to and from the existing village, its services and facilities, the new primary school and any newly created local centre</b></li> <li>• <b>Ensure that key amenities and services are conveniently located and accessible to all people including for those with mobility issues to maximise the options for promoting healthy lifestyles and the enhancement of quality of life</b></li> <li>• <b>Include open spaces, green corridors and networks for wildlife to create a smooth transition between new development, open countryside and the existing village</b></li> <li>• <b>Protect mature trees and hedgerows to provide wildlife corridors to Anker Valley where practicable</b></li> <li>• <b>Protect the existing areas of ancient woodland and local wildlife sites by incorporating appropriate landscape buffers that enhance existing habitats with sympathetic use of species appropriate to the locale and soil conditions</b></li> <li>• <b>Incorporate landscaping as an integral part of the scheme to maximise the use of wildlife beneficial plants including for tree planting along streets and pavements (where practicable and viable) and uses native hedgerows and trees for boundary treatments to create the habitats that support the birds and protected species on the red list identified in Appendix D (or up to date ornithologist assessment)</b></li> <li>• <b>Are of an exemplary standard in combating climate change and respond to NWBC’s declaration of a climate emergency</b></li> <li>• <b>Respond positively to, and respect, the rich heritage of the area including the heritage assets on the site and the historic rural character of the landscape and its characteristic narrow lanes and historic routes</b></li> <li>• <b>Take account of the undulating topography of the area and respect key views and create a visual connection between the existing village and new development</b></li> <li>• <b>Identify potential impacts on health and wellbeing through a Health Impact Assessment or similar as encouraged by Public Health Warwickshire</b></li> </ul> <p><b>Dordon Parish Council will continue to work positively with NWBC, the developers and Polesworth Parish Council to ensure that the key criteria remain central to the delivery of the final H4 Masterplan.</b></p>
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## Appendix B Photos of Key Views (shown on Map 5)



V1 looking south west across Kitwood Park and beyond across the Strategic Gap. Long view but with hedgerow and trees showing the boundary of Kitwood Park. Demonstrates the contribution the Strategic Gap makes to the separation of the edge of the Dordon built up area from development of large industrial units south of the A5 and the separation between Dordon and Tamworth.



V2 Looking from Barn Close across the Strategic Gap towards Birch Coppice industrial estate. The mound which was Birch Coppice Slag heap is in the distance. The long view demonstrates the contribution the Strategic Gap makes to the separation of the residential edge of the Dordon built up area from development of large industrial units south of the A5.



V3 looking north east across the Strategic Gap looking from A5/M42 junction looking towards Dordon. Shows how the land gently rises up to the edge of Dordon on a ridgeline and how the Strategic Gap provides an important area of separation between the residential edge to the major transport corridor and large industrial units. The Key View shows the landscape relationship with the built form.



V4 From Long Street Recreation Park looking east across hedgerows with an Oak tree (TPO) to the left on Dordon Common. In the middle-distance is Hollies Woodland. This view demonstrates the close relationship of this part of Dordon with the landscape to the east, its open aspect and rural scene. The undeveloped nature of the space and the richness of the hedgerows is apparent. Long views are glimpsed to Leicestershire.



V5 Looking south across Freasley Common (this is a Local Green Space Designation). Demonstrates the mature landscape in this part of Dordon.



V6 At Dordon Hall Lane junction with St Helena Road looking north east down Sandy Lane.



V7 St Helena Road junction with Dordon Hall Lane looking towards Polesworth. Demonstrates the very rural landscape character in this part of the Parish with the mature trees and hedgerows.



V8 Dunn's Lane/Dordon Hall Lane looking south east adjacent to PRoW– note train to London in the distance. Demonstrates the open rural aspect and long views from this high point on the east of the Parish. Land in the far distance is Leicestershire.



V9 Dordon Hall Lane dropping down to Grendon – the route here is a Medieval Hollow Way and shows the glimpsed long views looking south east with mature trees and hedgerows.



V10 At the high vantage point with the Hollies on the left, looking north the buildings are in Polesworth. Demonstrates the landscape relationship with the built form with long views interspersed with woodland and hedgerow.



V11 from Ollies Bench looking south east shows how Dordon village sits atop a ridgeline and how the landscape falls away to the south east before rising up. The wooded area in near view is the remnant of Birch Coppice wood. It is a Local Wildlife Site. The rising land in the distance is outside the Plan area.



V12 top of the Orchard Site looking south east across the woodland that is a Local Wildlife Site. Demonstrates the topography and the sense of openness in this part of the Plan area with long views towards Baddesley (the rising land is outside the Plan area).



V13 top of Orchard Site looking east towards Grendon and Atherstone in the distance. Demonstrates the rolling topography of the area and the mature trees with long views.

## Appendix C Summary of Landscape Characteristics from the Landscape Character Assessment for Dordon Parish

### Area 3 Anker Valley – Land east of Dordon village

- The landform is undulating, but generally descends to the east, with Dordon on the ridge of higher ground. Land use is prominently agricultural. Both pasture and arable, old woodland, with a large block of woodland (The Hollies) which is an ancient woodland and a SINC.
- On the western side near Dordon village there are small to medium side fields, enclosed by hedgerows with some hedgerow trees. Land is mainly under pasture. Further east and north the fields become large and more regular.
- There are tracks and paths (a mixture of public rights of way and informal routes) that allow access to the landscape. The River Anker, Coventry Canal and flood plain cut through the eastern edge of the Parish, the northern edge of the Parish east of Dordon village is more undulating.

### Area 5 Tamworth Fringe Uplands - Land west of Dordon village

- Dordon village and the industrial buildings at Birch Coppice Business Park are visible across the landscape and influence its character.
- A varied area of land south of the A5 at Dordon, extending east from Birch Coppice Business Park. The landform descends from the A5 south to a watercourse, before rising again further south. Land is under a variety of uses including arable and pasture, agricultural land but also a former sewage treatment works (now rough ground) and blocks of deciduous woodland and a large pond.
- Some field boundaries appear historic with a high proportion of mature hedgerows. Other field boundaries have been removed or comprise closely maintained hawthorn. There are also some isolated farms/houses. Views are possible from the A5, the local lanes and paths.
- To the north of the A5 the land is undulating and slopes to the north. [This is the area designated as a Strategic Gap in NWBC's Adopted Local Plan.] In places the slopes are fairly steep. The landform provides some evidence to the settlement to the north, although the properties on the higher ground towards Birch Coppice are more exposed. The land is mainly under arable cultivation, with medium size fields. There are some hedgerows and trees.

## Appendix D A Review of the Birds of Dordon 2021 Compiled by a Local Resident

As a keen amateur ornithologist and ‘birder’ I have been walking the areas around Dordon, since the early 1980’s. These started with trips out with my grandfather as a child, when I would stay with my grandparents at the weekend. I moved into the village of Dordon eight years ago and have been enjoying the wildlife of the area ever since. Over nearly forty years I have witnessed an unfortunate decline in a huge number of bird species. This has coincided with increased the intensification of agriculture, an increase in traffic levels and the development of the old Birch Coppice Pit site. Further developments will no doubt contribute to the continued downward trajectory of a number of important bird species.

In this review I have used the most recent Birds of Conservation Concern 4 report to identify the species held within the red and amber lists and to provide information for each species from a local perspective.

### Birds of Conservation Concern Overview

The UK’s leading bird organisations have worked together to review the status of birds in the UK. The bird species that breed or overwinter were assessed against a set of objective criteria to be placed on the green, amber or red list – indicating an increasing level of conservation concern. Birds of Conservation Concern 4 has placed more species onto the red list than ever before. The review used up-to-date information on the status of birds in the UK in their ranges, drawing on data collated through the UK’s bird monitoring schemes.

### The BoCC4 Red List Dordon

#### *Grey Partridge*

This species is probably just about clinging on as a breeding bird in the area. Sightings are now sporadic with the Straight Fields and the Hoo Hill to Sandy Way Lane area being the best areas. This native species is not to be confused with the **Red-legged Partridge** that is released in large number with the area for shooting purposes.

#### *Lapwing*

This species was once a familiar and abundant breeding bird of the Dordon area. Unfortunately, the decline in the area mirrors that of the decline nationally. The species just about clings on as a breeding species in the following areas:

Hoo Hill to Sandy Way Lane – Sheep pasture and agricultural land – 2 to 3 pairs annually.

Sandy Way Lane to Spon Lane – Agricultural land – 1 to 2 pairs annually.

Straight Fields (M42 to Kitwood Avenue south of Birchmoor) – Agricultural land – 2 to 3 pairs annually.

The species was once a prolific breeder on the site of the old Birch Coppice Pit. Unfortunately, it has now been lost as a breeding bird due to the development of the site and the subsequent extension of it.

The agricultural area between Hoo Hill to Spon Lane are an important wintering site in the area. Numbers vary from 40 to 120 birds each winter.

#### *Ringed Plover*

This is a former breeding species that once used the old Birch Coppice Pit site (1 to 2 pairs annually). There have also been occasional breeding attempts in the Straight Fields area south of Birchmoor. There has been no evidence of breeding since 2016.

### *Cuckoo*

This is another species that has suffered a huge decline in the area over the past twenty years or so. Calling males can usually be heard from the end of April to mid-May with juveniles appearing in The Hollies area from June and July. Due to the secretive nature of this species, it is difficult to confirm breeding, but with juvenile birds being seen in the areas from Long Street Park over to St Helena Road during most years, evidence may suggest that breeding does still occur.

### *Lesser Spotted Woodpecker*

To my knowledge this species has never bred in the area and my first sighting came as recently as Spring 2020 at The Hollies. Since this time, both male and female birds have been seen and 'drumming' has been heard during 2020 and 2021. The recent thinning out of some species of tree at The Hollies seems to be to their liking.

### *Merlin*

Although not a breeding bird, this species can often be found in the area during the winter. It seems to be attracted to the passerines that are attracted to the game crop that is planted north of St Helena Road. Another favoured area during winter is the Straight Fields.

### *Willow Tit*

This is another species that was once abundant around the former Birch Coppice Pit site but is now very scarce. Calling birds now seem to be restricted to area of birch woodland just north of the A5 between Watling Street and Dunn's Lane. They have also occurred very occasionally at The Hollies in recent years. They seem to be clinging on a breeding species in the area, but only just.

### *Skylark*

By far the most important area for this species is the Straight Fields site south of Birchmoor and east of the M42. I estimate that 8 to 15 pairs use the cereal fields to breed. Smaller numbers can also be found breeding in the cereal fields from Hoo Hill to Spon Lane.

### *Grasshopper Warbler*

This a sporadic breeding bird of the area, with the sparse hedges and bramble patches around the Straight Fields being their favoured sites. The last confirmed breeding attempt here was in 2018. Singing males have also been recorded at the old Dordon Sewage Works site south of the A5 and around the pond to the east of the birch woodland between the A5 and the Dunn's Lane/Dordon Hall Lane junction.

### *Starling*

Although the numbers of this species have greatly reduced over the years, breeding does occur in fairly healthy numbers throughout the area (including the roof of my house in Long Street). This species requires areas of open land in order to forage for leatherjackets. It will therefore come as no surprise that the sheep fields around Dordon Hall and Hoo Hill are favoured feeding areas throughout the year but especially during the winter when a flock of up to 600 birds can be seen. They also feed in good numbers in the fields between The Hollies and Long Street, particularly during the spring when they have hungry chicks to feed.

### *Fieldfare*

This a widespread yet declining autumn and winter visitor to the area. Flocks of up to 200 to 600 birds can still be encountered. The favoured feeding areas include the sheep fields and agricultural fields between Hoo Hill and Spon Land and the sheep fields between Dordon Hall and The Hollies. The berries of the hawthorn hedges surrounding the fields between The Hollies and Long Street are also an important food source, especially during harsh weather conditions as is the area between the A5 and Dunn's Lane.

### *Song Thrush*

This is still fortunately a familiar sight and sound in the area, although not in the numbers I once witnessed as a child. Breeding territories can be found all over the area where there is suitable habitat. Breeding hotspots include Hall End Coppice, The Hollies (and surrounding hedgerows), Long Street Park, the Church Road gardens and the old brickworks. I estimate there to be around 8 to 15 breeding pairs in the area.

### *Redwing*

The status is fairly similar to the Fieldfare above but in much smaller numbers with around 50 to 200 birds present during the winter. The birch woodlands of The Hollies and the old brickworks seem to be an important feeding area in Spring just before they migrate back to their breeding grounds in northern Europe.

### *Mistle Thrush*

This is a scarce breeding bird in the area with just 3-6 pairs present. The favoured breeding areas are Dordon churchyard and the adjacent birch woodland, the Dordon Hall area and Hoo Hill area.

### *Whinchat*

A former breeder around the old Birch Coppice Pit site. The hedgerows between The Hollies and Long Street, as well as the Straight Fields seem to be important stop over sites for feeding during their Spring migration.

### *House Sparrow*

Although suffering concerning declines nationwide, this a species that seems to do well around Dordon, especially around the older housing of Long Street/New Street and what is known as the 'Coalboard Estate'. Healthy numbers can also be found around Dordon Hall. During the breeding season, the hawthorn hedgerows between The Hollies and Long Street are an important feeding area for the village population.

### *Tree Sparrow*

This a fickle breeding species of the area. After an absence of several years it can suddenly reappear in small numbers to breed. The only area that seems to attract them nowadays is the Dordon Hall locality including the sheep fields east of The Hollies and the hedgerows around Hoo Hill and Sandy Way Lane. The last confirmed breeding attempt occurred in 2018 when up to four territories were found in this area.

### *Spotted Flycatcher*

Once a regular breeding species of the area, especially around Dordon churchyard and the site of the former Dordon sewage works. It was once also regular in The Hollies area. There have been occasional sightings at this site in recent Springs so hopefully it has the potential to recolonise, especially since the management of a part of woodland has created suitable breeding habitat.

### *Yellow Wagtail*

Another rapidly declining species. The good news is that regular breeding still occurs in the area. Confirmed breeding sites include the Straight Fields, south of Birchmoor. This site contains 1-5 breeding pairs each year, especially when oilseed rape is planted. Other breeding locations include the area from Hoo Hill to Spon Lane where 1-3 pairs breed most years.

### *Grey Wagtail*

This species seems to be established around the Birch Coppice industrial site where 1-2 pairs breed each year. A minor success among all the other declines.

### *Linnet*

Another species that seems to be making a bit of a resurgence in the area. Regular breeding occurs in most areas of suitable mixed farmland habitat. The main areas are The Hollies hedgerows (3-4 pairs), the Straight Fields (3-4 pairs) and The Hoo Hill to Spon Lane area (5-6 pairs). An important wintering site is the area between Hoo Hill and Sandy Way Lane where flocks of up to 500 birds have been seen in recent winters. These are no doubt attracted to the game crop planted there. These flocks in turn attract both **Merlin** and **Sparrowhawk** during the winter months.

### *Lesser Redpoll*

The established birch woodland between the A5 and Dunn's Lane and the site of the former brickworks have produced breeding pairs in recent years but no more than 1-3 pairs. These same areas of woodland are also important as winter feeding sites with mixed flocks of **Lesser Redpoll** and **Siskin** containing anything from 20-70 birds. This past winter has produced decent numbers that have even attracted the scarce **Mealy Redpoll** to the area.

### *Yellowhammer*

Numbers of this once abundant farmland species seem to be declining year on year. Just 3-8 pairs now seem to breed with the Hoo Hill to Spon Lane area holding most territories. The only other site nowadays is the Straight Fields area which holds no more than 1-2 pairs. As with the **Linnet**, an important wintering site is the area between Hoo Hill and Sandy Way Lane where flocks of up to 25 birds have been seen in recent winters.

### *Corn Bunting*

Most definitely extinct as a breeding bird in the area unfortunately. Sporadic sightings of single birds have occurred in the Sandy Way Lane area in winter.

### *Survey Information on other species provided by another local resident*

There is an active Badger Sett on Hoo Hill  
H4 has Hedgehogs, Slow worms, Adders  
Common and Soprano Pipistrelle bat on H4  
Great Crested Newts in the Ponds around Dordon Hall

18 May 2021

### Appendix E Housing Affordability

From the Housing Needs Assessment for Dordon Parish showing that single earners cannot afford any housing product

**Table 4-5: Affordability thresholds in Dordon (income required, £)**

Tenure	Mortgage Value	Rent	Income required	Affordable on average incomes? £38,300	Affordable on LQ earnings (single earner)? £17,089	Affordable on LQ earnings (2 earners)? £34,178
<b>Market Housing</b>						
NA Median House Price	£142,200	-	<b>£40,629</b>	No	No	No
LA New Build Mean House Price	£262,102	-	<b>£74,886</b>	No	No	No
NA LQ/Entry-level House Price	£125,100	-	<b>£35,743</b>	Yes	No	No
Average Market Rent	-	£14,034	<b>£46,780</b>	No	No	No
Entry-level Market Rent	-	£8,502	<b>£28,340</b>	Yes	No	Yes
<b>Affordable Home Ownership</b>						
Discounted Market Sale (-20%)	£126,400	-	<b>£32,503</b>	Yes	No	Yes
Discounted Market Sale (-30%)	£110,600	-	<b>£28,440</b>	Yes	No	Yes
Discounted Market Sale (-40%)	£94,800	-	<b>£24,377</b>	Yes	No	Yes
Discounted Market Sale (-50%)	£20,314	£6,583	<b>£26,898</b>	Yes	No	Yes
Shared Ownership (50%)	£10,157	£9,875	<b>£20,032</b>	Yes	No	Yes
Shared Ownership (25%)	£126,400	-	<b>£32,503</b>	Yes	No	Yes
<b>Affordable Rented Housing</b>						
Affordable Rent (average)	-	£5,777	<b>£23,107</b>	Yes	No	Yes
Social Rent (average)	-	£5,216	<b>£20,862</b>	Yes	No	Yes

Source: AECOM Calculations

