

**To: Leader and Members of the Executive Board
(Councillors D Wright, Bell, Chambers, Gosling, Hayfield, D Humphreys, Jenns, Morson, H Phillips, Reilly, Simpson and Symonds)**

For the information of other Members of the Council

For general enquiries please contact the Democratic Services Team on 01827 719221 or via e-mail – democraticservices@northwarks.gov.uk

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

The agenda and reports are available in large print and electronic accessible formats if requested.

EXECUTIVE BOARD AGENDA

13 JUNE 2022

The Executive Board will meet in The Chamber, The Council House, South Street, Atherstone on Monday, 13 June 2022 at 6.30pm.

The meeting can also be viewed on the Council's YouTube channel at [NorthWarks - YouTube](#).

AGENDA

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

4 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members.

Members of the public wishing to address the Board must register their intention to do so by 9:30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by email to democraticservices@northwarks.gov.uk or telephone 01827 719221 / 01827 719237.

Once registered to speak, the person asking the question has the option to either:

- a) attend the meeting in person at the Council Chamber;
- b) attend remotely via Teams; or
- c) request that the Chair reads out their written question.

If attending in person, precautions will be in place in the Council Chamber to protect those who are present however this will limit the number of people who can be accommodated so it may be more convenient to attend remotely.

If attending remotely an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting. They will also be able to view the meeting using the YouTube link provided (if so, they made need to mute the sound on YouTube when they speak on the phone to prevent feedback).

- 5 **Minutes of the Executive Board held on 14 February 2022** – copies herewith, to be approved as a correct record and signed by the Chairman.

ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 6 **External Auditors' Report** – Report of the Corporate Director - Resources

Summary

This report presents the 2019/20 Annual Audit Letter received from the Council's external auditors, Ernst & Young LLP.

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

- 7 **Pay Policy Statement 2022/23** – Report of the Corporate Director - Resources

Summary

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

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

- 8 **Adoption of Water Orton Neighbourhood Plan** – Report of the Chief Executive

Summary

This report informs Members of the progress of the Water Orton Neighbourhood Plan and seeks approval to adopt in accordance with section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004.

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

- 9 **Transformation Team Updates** - Report of the Chief Executive

Summary

This report provides Members with an update to the work that the Transformation team is undertaking.

The Contact Officer for this report is Trudi Barnsley (719388)

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

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

- 11 **IT System Replacement** – Report of the Head of Development Control

The Contact Officer for this report is Erica Levy (719294)

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE BOARD

14 February 2022

Present: Councillor D Wright in the Chair

Councillors Bell, Dirveiks, Gosling, Hayfield, D Humphreys, Jenns, Morson, H Phillips, Reilly, Simpson and Symonds.

Apologies for absence were received from Councillors Chambers (Substitute Councillor H Phillips) and Deakin (Substitute Councillor Dirveiks).

Councillor D Clews was also in attendance.

43 **Declarations of Personal or Prejudicial Interest**

None were declared at the meeting.

44 **Minutes of the Executive Board held on 22 November 2021**

The minutes of the meeting of the Board held on 22 November 2021, copies having been circulated, were approved as a correct record and signed by the Chairman.

45 **Key Corporate Issues**

The Chief Executive drew Members' attention to the key corporate issues facing the Council in the mid-term and sought to assist them in addressing those issues during the proposed light touch review of the current Corporate Plan.

Resolved:

- a That the issues raised in the report of the Chief Executive be noted;**
- b That the latest performance report be noted; and**
- c That the Member Performance Working Group considers any necessary changes to the Corporate Plan for the 2022/23 financial year and the Chief Executive be given delegated powers to implement those changes.**

46 **The Capital Strategy**

The Corporate Director – Resources gave an update on the Capital Strategy approved by the Council in February 2021.

Recommended:

That the Capital Strategy, attached at Appendix A to the report of the Corporate Director – Resources, be approved

47 **The Proposed 3 Year Capital Programme 2022/23 to 2024/25**

Management Team put forward proposals for the 3 Year Capital Programme and outlined the availability of capital resources and the options to meet any shortfalls.

Recommended:

- a **That the Revised Capital Programme for 2021/22, as set out in Appendix A to the report of Management Team, be adopted;**
- b **That the 3 Year Capital Programme for the period 2022/23 to 2024/25, as set out in Appendix B to the report of Management Team be adopted; and**
- c **That the prudential indicators, as set out in Section 9 of the report of Management Team, be approved.**

(To consider the Minority Report request in relation to this item, subject to the required number of signatures being received in accordance with Standing Orders).

48 **General Fund Revenue Estimates 2022/23**

The Corporate Director - Resources reported on the revised budget for 2021/22 and an estimate of expenditure for 2022/23, together with forward commitments for 2023/24, 2024/25 and 2025/26.

Recommended:

- a **That the revised budget for 2021/22 be accepted; and**
- b **That the Estimates of Expenditure for 2022/23, as submitted in the report of the Corporate Director – Resources, be included in the overall budget considered in a later agenda item.**

(To consider the Minority Report request in relation to this item, subject to the required number of signatures being received in accordance with Standing Orders).

49 **General Fund Revenue Estimates 2022/23 and Setting the Council Tax 2022/23**

The Corporate Director – Resources set out the proposed General Fund Revenue Estimate for 2022/23 and the options available when setting the 2022/23 Council Tax for the Borough in the context of the Authority's Finance Settlement, and the effect on General Fund balances

Recommended:

- a **That the savings of £525,520, as detailed in Appendix H to the report of the Corporate Director – Resources, be approved;**
- b **That the revised estimate for the year 2021/22 and the revenue estimates for 2022/23 be approved;**
- c **That the Council Tax base for 2022/23, as set out in Appendix G to the report of the Corporate Director – Resources, be noted;**
- d **That a Council Tax increase of £5 for 2022/23 be approved;**
- e **That the Corporate Director – Resources, in consultation with the Chairman of Executive Board and Leader of the Opposition, be given delegated powers with regard to a Discretionary Policy for the Energy Price Council Tax Rebate highlighted in paragraph 7.7 of her report;**
- f **That the use of the Business Rate Reserve to fund capital expenditure on the MRF scheme be approved;**
- g **That the comments of the Corporate Director – Resources on the minimum acceptable level of general reserves be noted;**
- h **That the workforce estimates for the year 2022/23 as set out in Appendix L of the report of the Corporate Director – Resources, be approved; and**
- i **That the Council Tax resolution be prepared for consideration by the Council, using the recommendations agreed by this Board.**

50 **Planning Service Staffing Resource**

The Head of Development Control sought financial provision for a new Planning Enforcement Investigation Officer to be added to the permanent staffing structure.

Resolved:

That resources be allocated to fund the creation of the post of Planning Enforcement Investigation Officer within the Planning Enforcement Team, anticipated to be at Scale 7 (subject to job evaluation).

51 **Safeguarding Policy**

The Director of Leisure and Community Development asked the Board to consider a revised draft of the Borough Council's Safeguarding Policy and Procedure.

Resolved:

That, subject to clarification of the liabilities associated with the use of Borough Council facilities by external organisations, the Safeguarding Policy and Procedure (April 2022 to March 2025), attached at Appendix A to the report of the Director of Leisure and Community Development, be adopted and implemented with immediate effect.

52 **West Midlands Combined Authority No Homeless Veterans Campaign**

The Director of Housing provided the Board with information about the West Midlands Combined Authority's No Homeless Veterans Campaign and recommended that North Warwickshire Borough Council signed up as a participant.

Resolved:

That the Director of Housing, as the Lead Champion, be given the authority to sign-up North Warwickshire Borough Council for the 'No Homeless Veterans Campaign'.

53 **Exclusion of the Public and Press**

Resolved:

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

54 **Confidential Extract of the Minutes of the of Executive Board held on 22 November 2021**

The confidential extract of the minutes of the Executive Board held on 22 November 2021, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

David Wright
CHAIRMAN

Agenda Item No 6

Executive Board

13 June 2022

**Report of the
Corporate Director - Resources**

External Auditors' Report

1 Summary

- 1.1 This report presents the 2019/20 Annual Audit Letter received from the Council's external auditors, Ernst & Young LLP.

Recommendation to the Council

That the report presented as Appendix A be noted.

2 Introduction

- 2.1 The Council's external auditors, Ernst & Young LLP, have summarised the work they undertook relating to the 2019/20 financial year in an annual audit letter. The information contained in the letter has already been circulated to Members of the Board, so the annual audit letter is attached as Appendix A for information only.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 Budget provision for external audit costs has been made. The auditors review the financial arrangements of the Council, including an assessment of the value for money achieved by the Council in terms of economy, efficiency and effectiveness.

3.2 Risk Management Implications

- 3.2.1 An external audit process provides some assurance over the Council's internal control system and highlights any areas where improvements could be made.

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

North Warwickshire Borough Council

Annual Audit Letter for the year
ended 31 March 2020

March 2022



Building a better
working world
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Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



Section 1

Executive Summary

Executive Summary

We are required to issue an annual audit letter to North Warwickshire Borough Council (the Council) following completion of our audit procedures for the year ended 31 March 2020. Covid-19 had an impact on a number of aspects of our 2019/20 audit. We set out these key impacts below.

Area of impact	Commentary
Impact on the delivery of the audit	
▶ Changes to reporting timescales	As a result of Covid-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities. We worked with the Council to deliver our audit in line with the revised reporting timescale.
Impact on our risk assessment	
▶ Valuation of Property Plant and Equipment	The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Council's external valuer. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment.
▶ Disclosures on Going Concern	Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Council would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Council's actual year end financial position and performance.
▶ Events after the balance sheet date	We identified an increased risk that further events after the balance sheet date concerning the current Covid-19 pandemic will need to be disclosed. The amount of detail required in the disclosure needed to reflect the specific circumstances of the Council.
Impact on the scope of our audit	
▶ Information Produced by the Entity (IPE)	We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Council's systems. We undertook the following to address this risk: <ul style="list-style-type: none">▶ Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and▶ Agree IPE to scanned documents or other system screenshots.
▶ Consultation requirements	Additional EY consultation requirements concerning the impact on auditor reports. The changes to audit risks and audit approach changed the level of work we needed to perform.

Executive Summary (cont'd)

The tables below set out the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council's:	
▶ Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Council as at 31 March 2020 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Annual Accounts.
▶ Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources.

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Governance Statement	The Governance Statement was consistent with our understanding of the Council.
▶ Public interest report	We had no matters to report in the public interest.
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report.
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report

Executive Summary (cont'd)

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 01 March 2022
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 15 March 2022

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Maria Grindley

Associate Partner
For and on behalf of Ernst & Young LLP

Section 2

Purpose and Responsibilities



Purpose

The Purpose of this Letter

The purpose of this annual audit letter is to communicate to the council and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the detailed findings from our audit work in our 2019/20 Audit Results Report which we have circulated to the Executive Board. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

Responsibilities

Responsibilities of the Appointed Auditor

Our 2019/20 audit work has been undertaken in accordance with the Audit Plan that we issued in May 2021 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2019/20 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The Council is below the specified audit threshold of £500mn. Therefore, we did not perform any audit procedures on the return.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement (AGS). In the AGS, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Section 3

Financial Statement Audit



Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK), and other guidance issued by the National Audit Office and issued an unqualified audit report on 15 March 2022.

Our detailed findings as included in the above report was communicated to the executive board via e-mail circulation.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
Misstatements due to fraud or error	
As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.	<u>Procedures:</u> <ul style="list-style-type: none">➤ We identified fraud risks during the planning stages.➤ We inquired of management about risks of fraud and the controls put in place to address those risks.➤ We gained an understanding of the oversight given by those charged with governance of management's processes over fraud.➤ We considered the effectiveness of management's controls designed to address the risk of fraud.➤ We determined an appropriate strategy to address those identified risks of fraud.➤ We performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements. <u>Conclusion:</u> <ul style="list-style-type: none">➤ We have not identified any material weaknesses in controls or evidence of material management override.➤ We have not identified any instances of inappropriate judgements being applied.➤ We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Conclusion
<p>Risk of fraud in revenue and expenditure recognition</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.</p> <p><u>We focused on:</u></p> <p>Additions to property, plant and equipment and Inappropriate transfers between the Housing Revenue Account (HRA) and the General Fund.</p> <p>In addition there is a risk where transfers between the HRA and General Fund result in incorrect treatment of HRA revenue expenditure.</p>	<p><u>Procedures</u></p> <p>We:</p> <ul style="list-style-type: none">➤ Documented our understanding of the controls relevant to this significant risk and confirmed they have been appropriately designed.➤ Sample tested additions to property, plant and equipment to ensure that they were correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.➤ Tested transfers between the HRA and General Fund to ensure such transfers were appropriate. <p><u>Conclusion</u></p> <p>Our testing did not identify any material misstatements in respect of the capitalisation of revenue expenditure.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Significant Risk	Procedures and Conclusion
<p>Valuation of land and buildings</p> <p>The fair value of Council Dwellings, Other land and buildings and Investment Property (IP) represent significant balances in the entity's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>The Authority will engage an external expert valuer who will apply a number of complex assumptions to these assets. Annually assets are assessed to identify whether there is any indication of impairment. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a risk fixed assets may be under/ overstated. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p><u>Procedures:</u></p> <ul style="list-style-type: none">➤ We reviewed the output of the Council's valuer and challenged the assumptions used by the Council's valuer by reference to external evidence and our EY valuation specialists.➤ We challenged management to ensure they have considered the adequacy of the assumptions made by the external valuer.➤ We considered the appropriateness of the carrying value of assets not formally valued in the year.➤ We tested the source data used in the valuation calculations back to supporting evidence.➤ We considered whether there are any indications of impairment to the carrying value of assets.➤ We challenged the appropriateness of the useful economic lives assigned to assets.➤ We tested the journals for the valuation adjustments to confirm that they have been accurately processed in the financial statements.➤ We considered the impact of Covid-19 on the market value as determined in the valuers calculations <p><u>Conclusion</u></p> <p>From the execution of our procedures, we did not identify any material misstatements regarding the valuation of Council Dwellings, Other land and buildings and Investment property</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other areas of focus	Procedures and Conclusion
<p>Pension Liability Valuation (Local Government Pension Scheme)</p> <p>The Local Authority Accounting Code of Practice and IAS 19 requires the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Warwickshire County Council.</p> <p>The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet. At 31 March 2020 this totalled £27.4 million.</p> <p>The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the Pension Fund (Hymans Robertson LLP).</p>	<p><u>Procedures:</u></p> <ul style="list-style-type: none">➤ We undertook IAS19 protocol procedures assisted by the pension fund audit team to obtain assurances over the information supplied to the actuary for North Warwickshire Borough Council.➤ We assessed the work of the Pension Fund actuary (Hymans Robertson) including the assumptions they used. We did this by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors - and considering any relevant reviews by the EY actuarial team.➤ We reviewed and tested the accounting entries and disclosures made within the Council's financial statements for IAS19. <p><u>Conclusion</u></p> <p>From the execution of our procedures and assurance obtained from the pension fund audit team, we did not identify any material misstatements.</p>

Financial Statement Audit (cont'd)

The key issues identified as part of our audit were as follows: (cont'd)

Other areas of focus	Procedures and Conclusion
<p><u>NNDR Appeals Provision</u></p> <p>The Council calculates an NNDR (business rates) appeals provision in relation to appeals made by businesses which believe that the NNDR that they have paid in previous years was inflated due to an unreasonably high RV (Rateable value). The calculation involves a significant amount of estimation uncertainty and typically includes the use of an expert. As such, the value of the NNDR appeals provision is identified as an area which has an increased risk of material misstatement.</p>	<p><u>Procedures:</u></p> <ul style="list-style-type: none">➤ We have reviewed the methodology behind the calculation for the NNDR appeals provision and have tested in detail the calculations applied.➤ We have assessed the data used in the calculation by agreeing the values and attesting the completeness of appeals by agreeing to third party source information. <p><u>Conclusion</u></p> <p>Based on the execution of our audit procedures, we have not identified any material misstatements</p>
<p><u>Going concern</u></p> <p>Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19.</p> <p>We considered the unpredictability of the current environment gave rise to a risk that the Local Authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Local Authority's actual year end financial position and performance.</p>	<p><u>Procedures:</u></p> <p>We:</p> <ul style="list-style-type: none">➤ Reviewed Management's going concern assessment, including the cash flow forecast. We challenged key assumptions and sensitivity analysis performed.➤ Reviewed the Council's need to borrow over the going concern period➤ Reviewed and challenged the disclosures management have made in the financial statements with respect to the applicability of the going concern basis of accounting and impact of Covid-19 on the council➤ Complied with EY's internal risk management consultation arrangements which have been put in place in response to the increased risk posed by the Covid-19 pandemic. <p><u>Conclusion</u></p> <p>Based on our review of management's assessment and consideration of cash/liquidity throughout the period to September 2023 and the available reserves, we conclude that the going concern basis of accounting in the production of the 31 March 2020 financial statements is appropriate and there is no material uncertainty in this regard.</p>

Financial Statement Audit (cont'd)

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	Thresholds applied
Planning materiality	We determined planning materiality to be £895k (18/19 : £908k), which is 2% of Gross Expenditure reported in the accounts of £44.7 million. We consider Gross Expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Council.
Reporting threshold	We agreed with the Executive Board that we would report to the Committee all audit differences in excess of £45k (2018/19 : £45k).

Section 4

Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

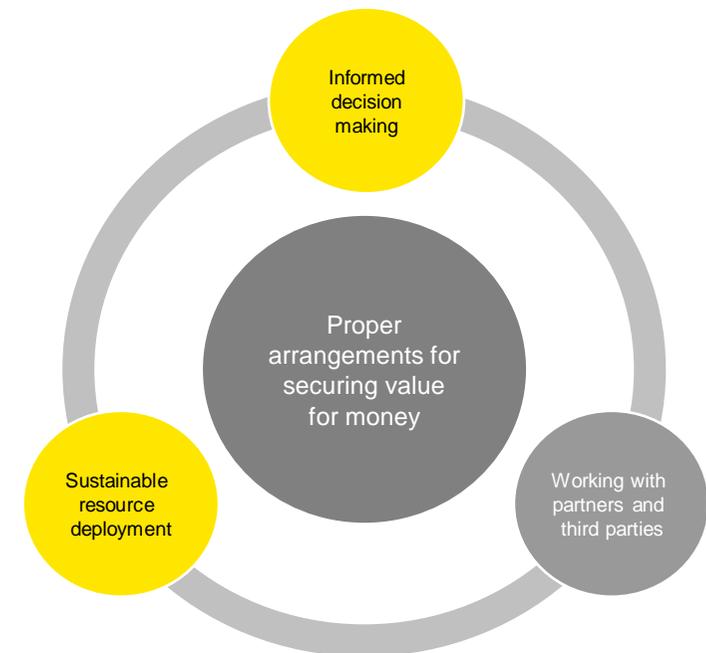
- ▶ Take informed decisions;
- ▶ Deploy resources in a sustainable manner; and
- ▶ Work with partners and other third parties.

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider the authorities response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

We identified one significant risk in relation to these arrangements. The table on the next page presents the findings of our work in response to the risks identified and any other significant weaknesses or issues to bring to your attention.

We have performed the procedures outlined in our audit plan. We did not identify any significant weaknesses in the Council's arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people

We therefore issued an unqualified value for money conclusion on 15 March 2022.



Value for Money (cont'd)

Significant Risk	Conclusion
<p>Securing financial resilience</p> <p>In common with other Local Government entities, the Authority is facing significant financial pressures in the medium term.</p> <p>The Authority has a General Fund Balance of £2.9m at 31/03/2020.</p> <p>The Medium Term Financial Strategy (MTFS) provides levels of funding and expenditure requirements which would leave the Authority with adequate reserves at the end of the 2022/23 period. However, the sensitivity analysis within the MTFS shows that with reductions in income due to the phasing out of the New Homes Bonus and other factors, on a worse case basis, the reserve balances would be forecasted at:</p> <p>2020/21 - £1,037k</p> <p>2021/22 - £157k</p> <p>2022/23 - £454k (deficit)</p> <p>Considering that this is the worse case scenario, it would drive the Council's reserves below their required minimum limit and given the uncertainty of the funding settlement post 2020/21 and the financial pressures set out above, we have considered this to be a significant area of focus in forming our value for money conclusion.</p>	<ul style="list-style-type: none"> ➤ The Council set a balanced budget in 2019/20 and 2020/21. We have reviewed the assumptions contained in the 2019/20 and 2020/21 budgets and MTFF and we consider them to be reasonable based on the circumstances of the Councils. The Council reports to the Council Executive on quarterly basis the financial performance against the budget. ➤ The Council have set a net expenditure general fund budget of £8.7m for 2020/21 with the financial challenge facing the Council remains significant with savings required of £1.6m. ➤ Since the 2020/21 budget and Medium-Term Financial Forecast for the period 2020/21 to 2022/23 was approved by the Council in March 2020, the Council was impacted by the Covid-19 global pandemic. As a result, the Council have revised its MTFF forecasts for 2020/21 which shows expenditure pressures amounting to £1.7m stemming from impact of Covid-19 less Covid-19 grant income funding of £1.4m. A further need to dip into earmarked reserves of £400k. The revised net expenditure general fund budget of £8.8m for 2020/21. The Council is forecasting general fund reserves of £2.1m, which is slightly above the £1.4m minimum reserve set by the Council as of 31 March 2021. ➤ We have concluded that the Council has adequate financial management arrangements in place, the financial challenges facing the Council are significant, particularly as it is operating within a financially challenged system together with the impact of Covid-19. The Council needs to ensure that financial assumptions are updated continuously to reflect the challenging environment. Our review of assumptions used in financial planning, year-end financial outturn, and the Council's delivery of savings plans has not identified any significant matters that we wish to report to you.

A photograph of a business meeting in progress. Several people are seated around a dark wooden conference table, looking at documents. A woman with blonde hair is in the foreground, resting her chin on her hand and looking intently at the papers. Other participants are visible in the background, some standing and some seated. The scene is brightly lit, suggesting a modern office environment.

Section 5

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £500m. Therefore, we were not required to perform any audit procedures on the consolidation pack

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's annual governance statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading. We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2019/20 financial statements from members of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Executive Board dated March 2022 via e-mail distribution. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Other Reporting Issues (cont'd)

Control Themes and Observations

As part of our work, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control identified during our audit.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in the financial statements of which the Council is not aware.

Section 6

Focused on your future

Focused on your future

The Code of Practice on Local Authority Accounting in the United Kingdom introduces the application of new accounting standards in future years. The impact on the Council is summarised in the table below.

Standard	Issue	Impact
IFRS 16 Leases	<p>It was proposed that IFRS 16 (Leases) would be applicable for local authority accounts from the 2021/22 financial year, deferred a year due to the impact of Covid-19.</p> <p>Whilst the definition of a lease remains similar to the current leasing standard; IAS 17, for local authorities who lease a large number of assets the new standard will have a significant impact, with nearly all current leases being included on the balance sheet.</p> <p>However in response to the ongoing pandemic and its pressures on council finance teams, the CIPFA LASAAC Local Authority Accounting Code Board has announced that the implementation of IFRS 16 in the Code of Practice on Local Authority Accounting in the UK (the Code) will be deferred until the 2022-23 financial year. This decision brings the Code in line with the decision by the Government's Financial Reporting Advisory Board to put back the effective date for the implementation of the standard to 1 April 2022.</p> <p>CIPFA LASAAC has indicated that the deferral is limited to one year only and that there is no intention to grant any further extensions based on a lack of preparedness.</p> <p>The announcement is available on CIPFA's website.</p>	<p>There are transitional arrangements within the standard and it is assumed this will be reflected in the 2021/22 Accounting Code of Practice for Local Authorities when published. CIPFA have issued some limited provisional information which begins to clarify what the impact on local authority accounting will be. Whether any accounting statutory overrides will be introduced to mitigate any impact remains an outstanding issue.</p> <p>However, what is clear is that the Council will need to undertake a detailed exercise to identify all of its leases and capture the relevant information for them. The Council must therefore ensure that all lease arrangements are fully documented.</p>

Audit Fees

Our fee for 2019/20 includes the scale fee set by the PSAA and an additional 'scale fee variation' to reflect the additional one-off matters requiring additional audit effort during the audit including audit delays. The additional matters are as anticipated in our Audit Planning Report.

Description	Final Fee 2019/20 £	Planned Fee 2019/20 £	Final Fee 2018/19 £
Total Audit Fee - Code work (scale fee)	32,618	32,618	32,618
Additional fees - with PSAA for determination	TBC*	-	TBC
Total Audit Fee	TBC*	32,618	32,618
Non-audit work - Housing Benefit work	51,500**	23,500	23,500

*In our Audit Planning Report we identified and reported areas where audit work will be required over and above the level of the scale fee previously set which corresponded to the risks set out in our audit plan, the implications of operating using a lower level of materiality, and as a result of the impact of the Covid-19 pandemic there has also been additional work required in respect of our consideration of the going concern basis of accounting.

We have further identified delays in the submission of information, which has resulted in the audit being delayed, this has been incorporated into the scale fee

**Inclusive of Additional fees

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Agenda Item No 7

Executive Board

13 June 2022

**Report of the
Corporate Director - Resources**

Pay Policy Statement 2022/23

1 Summary

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

<p>Recommendation to Council</p> <p>To adopt the Pay Policy Statement 2022/23.</p>
--

2 Introduction

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

3 Report Implications

3.1 Human Resources Implications

- 3.1.1 As detailed in the report.

3.2 Legal Implications

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

- (a) the remuneration of its chief officers,
- (b) the remuneration of its lowest-paid employees, and

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

The statement attached at Appendix A provides the information required to meet these requirements, having regard to other applicable legislation relating to pay of public sector employees.

3.2.2 As soon as is reasonably practicable after approving its pay policy statement the Council must publish it in such manner as it thinks fit, which must include publication on its website.

3.3 Links to Council’s Priorities

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

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

North Warwickshire Borough Council

PAY POLICY STATEMENT 2022/23

Introduction and Purpose

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

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

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

Legislative Framework

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

Pay Structure

Based on the application of the Job Evaluation process, the Council uses the nationally negotiated pay spine as the basis for its local grading structure. This determines the salaries of the large majority of the workforce, together with the use of other nationally defined rates where relevant. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine. No pay award has yet been agreed for 1 April 2022 onwards.

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

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

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

Senior Management Remuneration

For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 31 March 2022;

- a) Chief Executive
The current salary of the post is £108,207. The salary falls within a range of four incremental points between £102,994 rising to a maximum of £110,814.
- b) Corporate Director (Resources)
The current salary of the post is £77,579. The salary falls within a range of four incremental points between £72,156, rising to a maximum of £77,579. The Corporate Director (Resources) is the Council's Section 151 Officer and this was included in the evaluation of the role.
- c) Corporate Director (Streetscape)
The current salary of the post is £73,469. The salary falls within a range of four incremental points between £69,590, rising to a maximum of £73,469.
- d) Directors
The salaries of posts designated as Directors fall within a range of four incremental points between £64,560 rising to a maximum of £69,443.

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

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

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

- the rules of the Council.

Recruitment of Chief Officers

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

Where the Council remains unable to recruit Chief Officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers engaged under such arrangements.

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

Additions to Salary of Chief Officers

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

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

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

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

The Chief Executive is the Council's Returning Officer and the Electoral Registration Officer (who also manages the elections service) and receives an Election Allowance. The relevant bodies set this allowance. It varies each year depending on the number and type of elections in each year. Police and Crime Commissioner and Warwickshire County Council elections were held during 2021/22.

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

Payments on Termination

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

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

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

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

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

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

Increases to Pay

Any cost of living increases agreed through NJC are applied to Chief Officers pay. This is typically on 1st April each year.

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

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

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

Thereafter, all Chief Officers will receive increments annually on 1st April.

Chief Officers' pay will be measured against the market, normally on a three to five yearly basis, to ensure we maintain consistency with peer local authorities. Where there are significant changes in market rates then a pay benchmarking assessment will be carried out for Chief Officers. The last pay benchmarking on Chief Officers was completed in 2018 as part of the review of the senior management structure, when the role of Deputy Chief Executive was removed. Salary increases were made at this time to all Chief Officer posts, with the exception of the Chief Executive post. In October 2019, a pay benchmarking assessment was carried out on the revised Corporate Director role. The Council's Executive Board approves increases to Chief Officers pay.

Publication

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

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

This policy will be available on our web site www.northwarks.gov.uk

Lowest Paid Employees

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

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

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

Relationship Between Remuneration of our Chief Officers and Other Employees

Currently the average (mean) of our Chief Officers pay is 2.81 times that of the rest of our employees. Our top earning Chief Officer earns 4.19 times the mean of the rest of our employees.

Currently the average (mean) of our Chief Officers pay is 3.95 times that of our lowest paid employees. Our top earning Chief Officer earns 5.90 times the mean of our lowest paid employees.

Currently the median Chief Officers pay is 3.28 times that of the rest of our employees. Our top earning Chief Officer earns 4.89 times the median salary of the rest of our employees.

These figures are as at 31 March 2022 and do not include travel allowances, essential car user allowances.

Our policy for 2022/23 is to maintain Chief Officers pay within the following maximums:

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

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

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

5.5 X mean pay of other employees

5.5 X median pay of other employees

Accountability and Decision Making

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

RELATED DOCUMENTS

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

Date of this review

May 2022

Appendix 1

Annual Spot Value Less 10%

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

Annual Essential Car User Allowance

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

Agenda Item No 8

Executive Board

13th June 2022

Report of the Chief Executive

Adoption of Water Orton Neighbourhood Plan

1 Summary

- 1.1 This report informs Members of the progress of the Water Orton Neighbourhood Plan and seeks approval to adopt in accordance with section 38A(4)(a) of the Planning and Compulsory Purchase Act 2004.

Recommendation to Full Council:

That the Water Orton Neighbourhood Plan be adopted and form part of the Development Plan for North Warwickshire.

2 Consultation

- 2.1 Councillors Reilly and Macdonald 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 6 made Neighbourhood Plans.

4 Water Orton

- 4.1 Water Orton is the 7th Neighbourhood Plan to be formally examined by an Independent Examiner and go forward to referendum. There is a requirement that 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 19th May 2022 and the results are as below

Question: Do you want North Warwickshire Borough Council to use the Neighbourhood Plan for Water Orton to help it decide planning applications in the neighbourhood area?	Votes Recorded	Percentage
Number cast in favour of a Yes	356	94%
Number cast in favour of a No	23	6%

- 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.

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 Council has conformed with the legal requirements for holding a referendum as to whether a Neighbourhood Plan should be made for Water Orton. Where more than half those voting in the referendum voted in favour of the Neighbourhood Plan the 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 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 18th July 2022 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 Plans 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	Water Orton Neighbourhood Plan Team and Water Orton Parish Council	Neighbourhood Plan	January 2022

Agenda Item No 9

Executive Board

13 June 2022

Report of the Chief Executive

Transformation Team Updates

1 Summary

- 1.1 This report provides Members with an update to the work that the Transformation team is undertaking.

<p>Recommendation to the Board</p> <p>a That the report is acknowledged; and</p> <p>b noted.</p>

2 Background

- 2.1 The Transformation Team was formed following recognition that the Council would benefit from some additional corporate resource to help with modernising systems, processes, and a change in culture. To drive change the Team will utilise technology and aim to change ways of thinking and working.

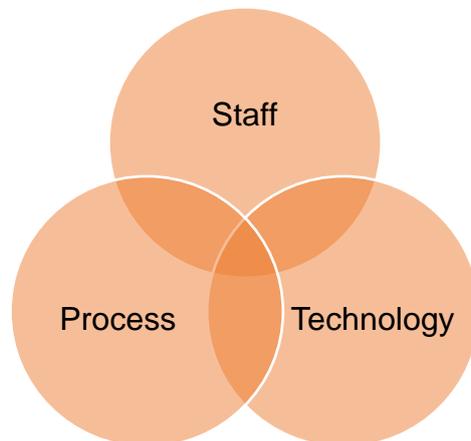
- 2.2 The Transformation Team is managed by the Transformation Manager who reports directly to the Head of Corporate Services and works closely with the Chief Executive and Management Team. The Team was formed with existing IT Project Officers in June 2021. Since the formation of the Team there are now two further secondments to project manage two major system implementations.

- 2.3 Several of the IT systems have been in place for a number of years (over 15 years). It has become evident that where a system no longer matches service needs or has become outdated, our processes are consequently inefficient and provides a negative impact on services' ability to change.

- ... 2.4 When a new IT system is required, the Team will follow a consistent approach for procuring and implementation, as demonstrated in Appendix 1 which shows a very high-level process.

3 Reviewing processes

3.1 When we review processes, we always understand the current process end to end before making any changes. Whatever we review, we take into consideration three elements. Our staff, what they do and what impact it may have on them, the process, and the technology we use.



3.2 When reviewing our processes, we also aim to innovate and improve services to meet residents' needs, using ICT and enabling online services to promote self-service.

3.3 In understanding the current process, we use a method called RACI (responsible, accountable, consulted, and informed) for identifying roles and responsibilities during a project or review, to ensure that the right people are involved at the right time. See the diagram in Appendix 2 for more details and Appendix 3 for details of what we capture during the process.

...
...

4. Training

4.1 We will work to help change the culture by communicating, challenging, collaborating, and working as openly as we can. We will try and ensure that our colleagues are trained in the use of new technology, processes, and support managers in continuous improvement.

5 Cost Considerations

5.1 Our Microsoft tenancy agreement gives us access to some applications that are included within our annual maintenance, so where possible we will utilise 'free' applications providing they are fit for purpose.

5.2 Members have already approved the financial commitment for three new systems this year, they are:

Dept.	Approved budget
Environmental Health	£115,000
Planning and Local Land Charges	£ 75,850
Financial Management System	£300,000

6 Conclusion

6.1 There are several ways in which efficiencies can be measured, they are:

- Being more productive;
- Reducing the cost of the service;
- Providing a better service;
- Reducing errors and getting things right first time;
- Reducing demand; and
- Removing duplication and hand-offs.

6.2 Our role in transformation will be to lead on service or process reviews and system implementations. See the work programme in Appendix 4 for more details.

6.3 It's important to know what good looks like. We measure the success by realising the benefits, embedding change, increasing income, or requiring less resources.

7 Report Implications

7.1 Finance and Value for Money Implications

7.1.1 The cashable savings are listed below:

	Saving
Admin review	£143,200
Consolidation of Microsoft licences	£9,000
Termination of software	£1,500
Total saving	£153,700

7.2 Legal Implications

7.2.1 Legal Services will be consulted before entering any new contracts and in relation to whether any intended changes to processes are legally compliant or expose the Council to legal risk. Specific legal advice on compliance and risk will be included in any reports made to the Council or its Boards recommending major changes to processes or acquisition of systems as part of the transformation process.

7.3 Environment, Climate Change and Health Implications

7.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community.

7.4 Risk Management Implications

7.4.1 There are several risks that could prevent progress being made, they are:

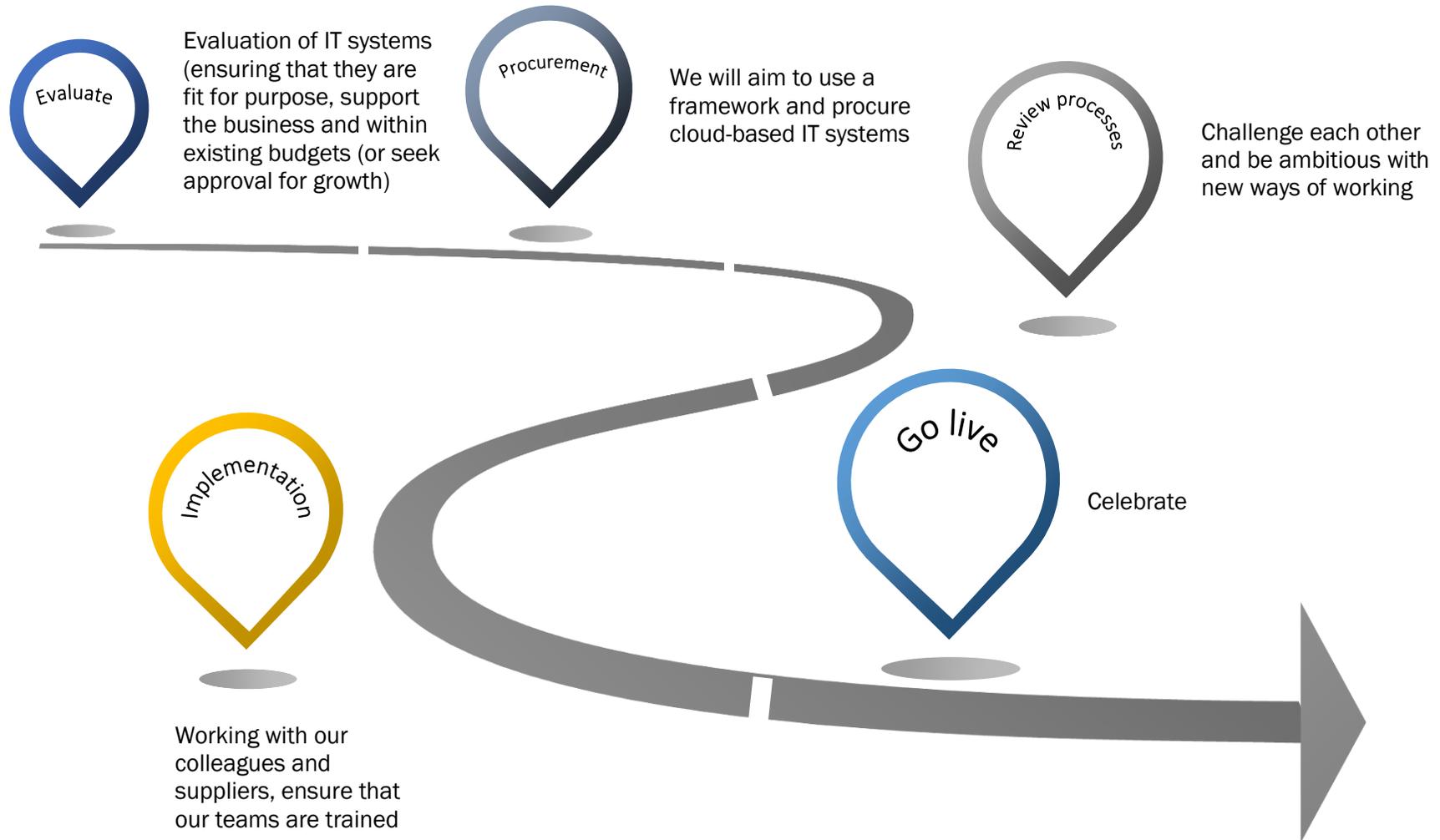
- Resources
Having insufficient resources available. For example, not having the right people available at the right time, either within the Transformation Team and/or other key areas of the Council.
- Benefits
Not being captured and clearly defined, delivered, or communicated.
- Lack of Buy-In/Support
From Senior Management or colleagues (which Members will be pleased to know we have been fully supported thus far).

7.5 Links to Council's Priorities

7.5.1 The work that the Transformation Team undertake contributes towards the Council's new Corporate Plan 2021-22 in progressing to become a more efficient organisation. This will be supported by having a robust transformation programme to ensure our services and processes are as lean as possible, consider new models of working and providing services, and develop our staff in the new skills needed, whilst being supported by IT.

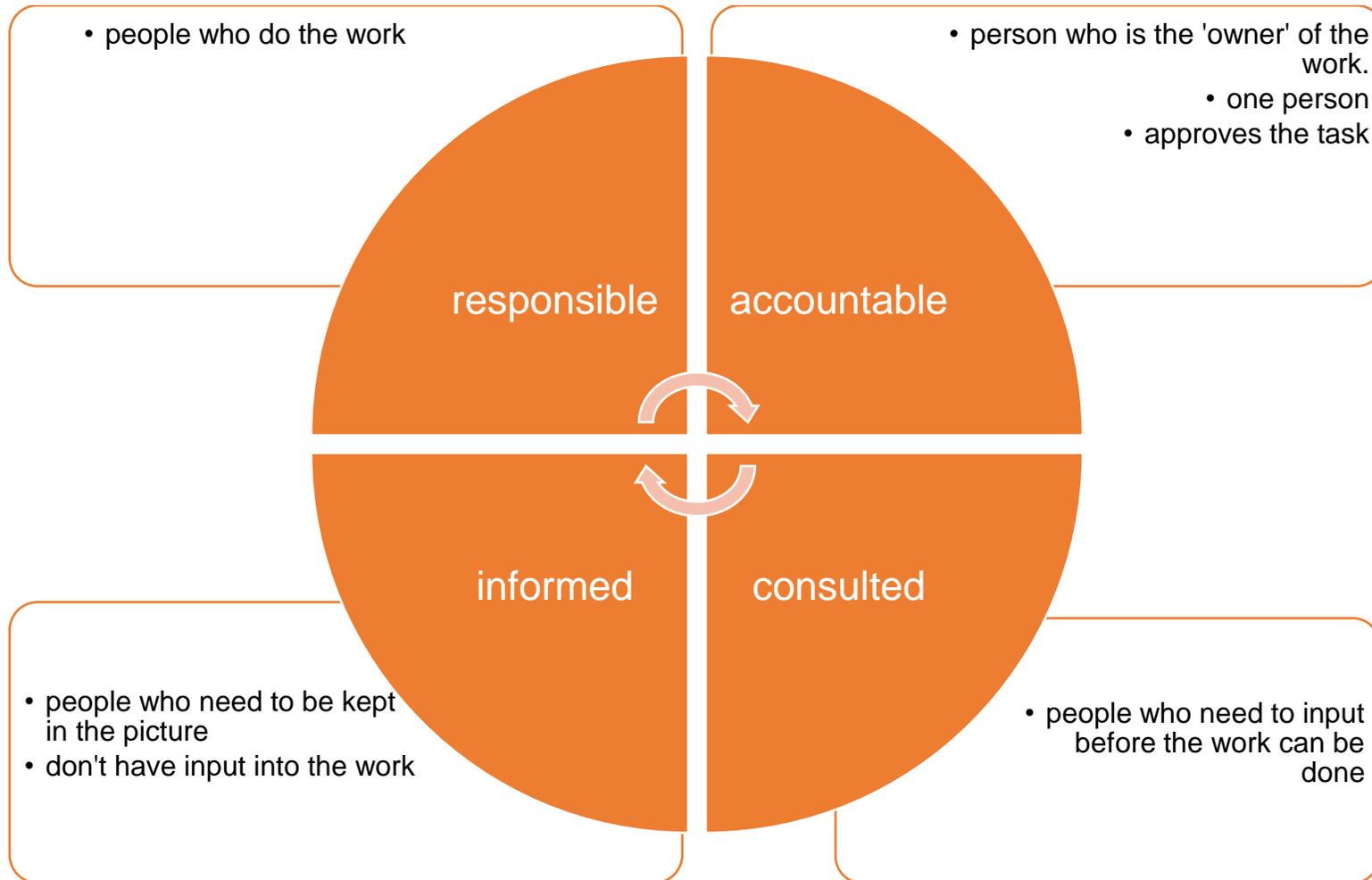
The Contact Officer for this report is Trudi Barnsley (719388).

Appendix 1

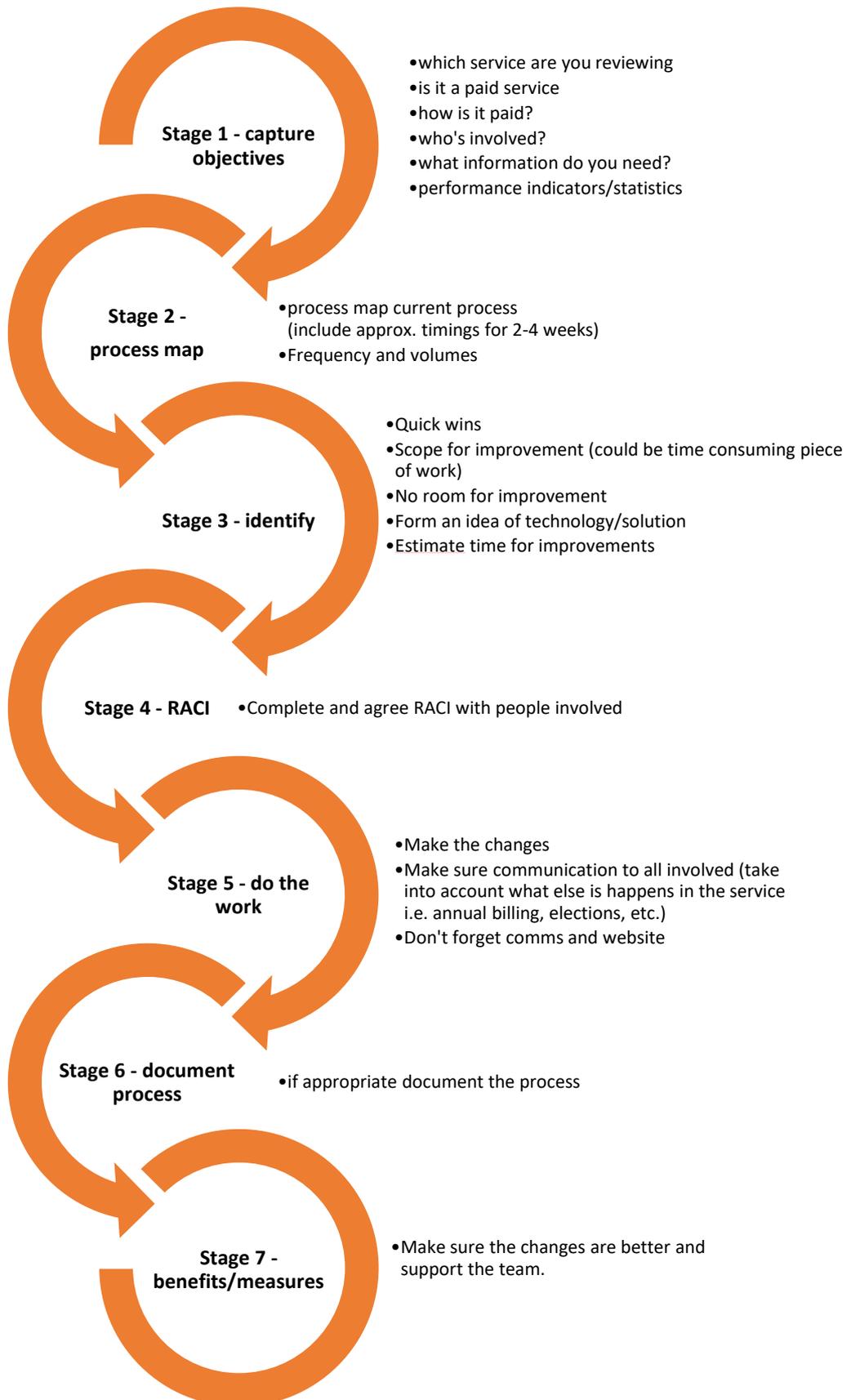


Appendix 2

The RACI diagram is a way of identifying key roles and responsibility of users against major tasks within a project.



Appendix 3



Appendix 4

Below is a list of system, service and process reviews:

Description	Notes	Status	Efficiency gain
Procurement & Implementation of new Environmental Health System	System procured and contract signed. Process reviews have started. Implementation due to commence in June.	In progress	Being more productive and Removing duplication and hand-offs
Procurement & Implementation of new Planning System and Local Land Charges	Demo arranged. Working with Land registry as they will be doing our CON29 searches in the future.	In progress	Being more productive and Removing duplication and hand-offs
Procurement & Implementation of new Financial Management System	New Project Officer has commenced secondment and is starting to evaluate FMS suppliers.	In progress	Being more productive and Removing duplication and hand-offs
Implementation of web-based GIS module	We hold a lot of data but it's mainly textual not spatial. Land registry will require information to be spatial therefore there will be more reliance on our GIS software. We have purchased the web-based product and are currently looking at what data we need to capture that would benefit the authority as well as the Land registry.	In progress	Removing duplication and hand-offs and Providing a better service

Description	Notes	Status	Efficiency gain
Administrative services review	A service review which was started pre-covid by external consultant. We lead on the review from the summer 2021. The central service team was disbanded, six colleagues took voluntary redundancy and new teams were set-up and processes were reviewed.	Complete	Reducing the cost of the service with a saving of £140,000 after 10 months
Incoming and outgoing post service	Streamlined what we are logging at the post opening procedure and reduced the number of people involved in the process. Staff trained who open the post are now trained to spot fake passports, etc. These valuable items are then posted back to the resident same day.	Complete	Reducing the cost of the service
Trade waste	Sign up for the Trade waste service is now online and works out how much the emptying will cost based on out/in area, schools, size of bin, etc. automatically, improvements made in the support team and Finance.	Complete	Being more productive
Street name plates	Ordering has been handed over to Streetscape division as they arrange for signs to be erected.	Complete	Removing duplication and hand-offs
Housing homelessness	Applying for council house/accommodation online, the process has been designed to 'carry out' the initial assessment by intelligent form design.	In progress	Being more productive and Providing a better service
Licensing	Forms designed and applying for a taxi vehicle and person licence online including card payments. Reviewed internal process, removed duplication and streamlined process.	Partially complete	Being more productive and Providing a better service
Freedom of information requests	Reviewed the internal process, piloted, and presented changes to officers. New reporting in place for MT.	Complete	Being more productive
Play area inspections	Removed paper form for the crew, form now completed on a mobile device, managers notified automatically once forms completed.	In progress	Being more productive and Removing duplication and hand-offs
Hybrid mail	Send letters and/or correspondence to any postal address without printing them. Our supplier will print and post for us. Currently used by some areas and we are rolling out across the authority.	Partially complete	Being more productive and Removing duplication and hand-offs
Sickness returns	Manager's now complete and online form now, this information is automatically collated for Finance in order to process sickness returns.	Complete	Removing duplication and hand-offs
Investigations and interviews under caution	Have stopped using a solution (which was poor and offered a saving), we've looked at different technologies to improve the time it takes for the recordings to be typed.	Complete	Reducing the cost £1,500
Teams' optimisation	Optimised the technology as some colleagues sounded like daleks.	Complete	Providing a better service
Booking app for residents	in ways they value including face-to-face, telephone, mobile device and particularly through the Internet, the website and self-service.	In progress	Providing a better service
Power BI	Investigating a new reporting tool for viewing interactive reports.	In progress	
Compliments and complaints		Not yet started	
Street naming and numbering	Looking at the current process, applications and payments will be online. More detail will be published on our website and cost comparisons carried out with other authorities, likelihood that a board report will go to members with proposals for price increases.	In progress	Being more productive and Removing duplication and hand-offs and Providing a better service
Fly-tipping	Lacked consistency internally. Longer term aim to improve our internal processes more and we could consider long term could the work force use mobile devices.	In progress	Removing duplication and hand-offs
Anti-social behaviour		Not yet started	
Review of Monitoring		Not yet started	

Agenda Item No 10

Executive Board

13 June 2022

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

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

Agenda Item No 11

IT System Replacement – Report of the Head of Development Control

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

In relation to the item listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Marina Wallace (719226)