

**To: Leader and Members of the Executive Board**  
**(Councillors Humphreys, Bell, Chambers, N Dirveiks, Farrell, Hayfield, Phillips, Reilly, Simpson, and D Wright)**

**For the information of other Members of the Council**

**For general enquiries please contact David Harris, Democratic Services Manager, on 01827 719222 or via e-mail - [davidharris@northwarks.gov.uk](mailto:davidharris@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**

**19 NOVEMBER 2018**

The Executive Board will meet in the Committee Room at the Council House, South Street, Atherstone, Warwickshire on Monday 19 November 2018 at 6.30pm

### **AGENDA**

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

- 4 **Minutes of the meeting of the Board held on 17 September 2018**, copies herewith, to be agreed as a correct record and signed by the Chairman.

5 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members. Questions should be submitted by 9.30am 2 working days prior to the meeting. Participants are restricted to five minutes each. If you wish to put a question to the meeting please contact David Harris on 01827 719222 or email [democraticservices@northwarks.gov.uk](mailto:democraticservices@northwarks.gov.uk).

## **ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)**

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

**Summary**

This report presents the 2017/18 Annual Audit Letter received from the Council's external auditors, Ernst & Young LLP.

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

- 7 **Key Corporate Issues** - Report of the Chief Executive

**Summary**

The purpose of this report is to draw Members' attention to the key Corporate issues facing the Council in the mid-term future. It seeks to assist Members in addressing these issues during the finalisation of the 2019/20 Corporate Plan and Budget and further in the lead up to next year's elections.

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

- 8 **Council Tax Support Scheme 2019/20** - Report of the Corporate Director - Community

**Summary**

This report outlines the recommended Council Tax Support (CTS) Scheme for 2019/20.

The Contact Officer for this report is Bob Trahern (719200)

- 9 **Constitution Task and Finish Group and Constitution Changes -**  
Report of the Corporate Director - Environment

**Summary**

This report advises Members of changes to the Constitution suggested by the Task and Finish Group.

The Contact Officer for this report is Steve Maxey (719438)

- 10 **Calendar of Meetings 2019/20 -** Report of the Chief Executive

**Summary**

The purpose of this report is to approve a calendar of meetings for 2019/20.

The Contact Officer for this report is David Harris (719222)

- 11 **Budgetary Control Report 2018/19 - Period Ended 31 October 2018**  
- Report of the Corporate Director - Resources

**Summary**

The report covers revenue expenditure and income for the period from 1 April 2018 to 31 October 2018. The 2018/2019 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

The Contact Officer for this report is Nadeem Afzal (719444).

- 12 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2018 to September 2018 –**  
Report of the Chief Executive

**Summary**

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April 2018 to September 2018.

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

- 13 **HS2 Update and Consultation -** Report of the Corporate Director - Environment

**Summary**

This report seeks delegated power to agree the Council's consultation response to the latest HS2 consultations.

The Contact Officer for this report is Steve Maxey (719438).

- 14 **Gifts and Hospitality Policy** - Report of the Corporate Director - Environment

### **Summary**

This report asks Members to approve a new Gifts and Hospitality Policy.

The Contact Officer for this report is Steve Maxey (719438).

- 15 **Minutes of the meeting of the Special Sub-Group held 9 October 2018**, copy herewith, to be received and noted.

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

### **Recommendation:**

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

## **EXEMPT INFORMATION (GOLD PAPERS)**

- 17 **Senior Management Changes** - Report of the Chief Executive (To follow)

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

- 18 **Building Control Service** - Report of the Head of Development Control.

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

JERRY HUTCHINSON  
Chief Executive

## NORTH WARWICKSHIRE BOROUGH COUNCIL

### MINUTES OF THE EXECUTIVE BOARD

17 September 2018

Present: Councillor Humphreys in the Chair

Councillors Bell, L Dirveiks, N Dirveiks, Farrell, Hayfield, Phillips, Reilly, Simpson and D Wright

An apology for absence was received from Councillor Chambers (substitute Councillor L Dirveiks).

Councillors Clews, Gosling, Jarvis, Lea and L Smith were also in attendance.

#### 24 **Declarations of Personal or Prejudicial Interest.**

Councillors L Dirveiks and Reilly declared a non-pecuniary in Minute No 27 - Supplementary Estimate – Heritage Activity Update.

#### 25 **Minutes of the meeting of the Board held on 25 July 2018.**

The minutes of the meeting of the Board held on 25 July 2018, copies having been circulated, were approved as a correct record and signed by the Chairman.

#### 26 **Financial Strategy 2018-2023**

The Corporate Director - Resources report on the Authority's Financial Strategy projected forward the Authority's General Fund budgets to 2022/23, and suggested a detailed budget approach for the 2019/20 General Fund Budget.

##### **Recommended:**

- a That the Financial Strategy shown as Appendix A to the report of the Corporate Director - Resources be approved;**
- b That the General Fund budget projections for 2019/20 to 2022/23 be noted; and**
- c That the budget approach, set out in section 8 of the report of the Corporate Director - Resources, be adopted.**

**27 Supplementary Estimate – Heritage Activity Update**

The Board was asked to agree a supplementary estimate of £25,000, to support heritage activity in the Borough.

**Recommended:**

**That a supplementary estimate of £25,000, to support heritage activity in the Borough, be approved.**

**28 Budgetary Control Report 2018/19 - Period Ended 31 August 2018**

The Corporate Director - Resources reported on the revenue expenditure and income for the period from 1 April 2018 to 31 August 2018. The 2018/2019 budget and the actual position for the period, compared with the estimate at that date, was also given, together with an estimate of the out-turn position for services reporting to the Board.

**Resolved:**

**That the report be noted.**

**29 Local Government Ombudsman Annual Review 2017/18**

The Chief Executive reported on the results of the Local Government and Social Care Ombudsman Annual Review 2017/18. The report highlighted the number of complaints and enquiries considered by the Ombudsman relating to the Council and the outcome of their determinations.

**Resolved:**

**That the report be noted.**

**30 Landscape Works to Prevent Unauthorised Access at Arley and Mancetter Recreation Grounds**

The Director of Leisure and Community Development reported on proposed measures to try and prevent unauthorised access at Arley and Mancetter Recreation Grounds and the Board was asked to agree a suggested course of action.

**Recommended:**

- a That a supplementary estimate of £30,400 to support landscape works to try and prevent unauthorised access at Arley and Mancetter Recreation Grounds be approved;**

- b That the Director of Leisure and Community Development, in consultation with the Chairman of the Board, the Opposition Spokesperson and local Ward Members, be authorised to agree the scheme of works for the sites at Arley and Mancetter;**
- c That, as part of the budget setting process, Members be asked to consider the future provision of funds for landscaping works to prevent unauthorised access to Council owned recreation grounds in the Borough.**

**31 Polesworth Sports Centre Dual-use Agreement**

The Director of Leisure and Community Development updated the Board on Officers discussions with representatives of Polesworth School, regarding the short-term extension of the current dual-use agreement on improved financial terms for the Borough Council.

**Recommended:**

**That the progress made in discussions with representatives of Polesworth School, in respect of the desire to secure a short-term extension of the current dual-use agreement on improved financial terms for the Borough Council be noted, and that the final terms of the agreement be determined by the Director of Leisure and Community Development in consultation with the Chairman and Vice-Chairman of the Executive and Community and Environment Boards.**

**32 Board Membership**

The Corporate Director – Environment sought authorisation for any possible amendments to representation on Boards resulting from a recent change in party membership.

**Recommended:**

- a That the revised Board, Committees and other bodies' arrangements detailed in the report of the Corporate Director – Environment be noted; and**
- b That the revised membership details be submitted to the next meeting of Full Council for approval.**

**33 Gambling Act 2005 – Review of Gambling Licensing Statement Of Principles 2019 - 2022**

The Board was invited give final approval to the draft Statement of Principles made under the Gambling Act 2005.

**Recommended:**

**That the draft Statement of Principles made under the Gambling Act 2005 be approved and adopted as Council policy.**

**34 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – June 2018**

The Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2018.

**Resolved:**

**That the report be noted.**

**35 Minutes of the meeting of the Safer Communities Sub-Committee held on 17 July 2018**

Subject to the inclusion of Councillor Clews in the list of apologies, the minutes of the meeting of the Safer Communities Sub-Committee held on 17 July 2018 were received and noted.

**36 Minutes of the meeting of the Special Sub-Group held on 11 September 2018**

The minutes of the meeting of the Special Sub-Group held on 11 September 2018 were received and noted.

**37 Arley Sports Centre**

Under section 100B(4)(b) of the Local Government Act 1972 the Chairman of the Board had agreed to the consideration of this matter by reason of the urgent need to update Members on the current position regarding Arley Sports Centre. The Chief Executive reported verbally on the application to register the property as an asset of community value and on the current position with regard to the asset transfer of Arley Sports Centre.

David Humphreys  
Chairman

## **Agenda Item No 6**

### **Executive Board**

**19 November 2018**

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

#### **External Auditors' Report**

### **1 Summary**

- 1.1 This report presents the 2017/18 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 2017/18 financial year in an annual audit letter. The information contained in the letter has already been presented to the Board at its September meeting, 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
Executive Board	Sue Garner	External Auditors' Report	July 2018



North Warwickshire  
Borough Council

Annual Audit Letter for the year  
ended 31 March 2018

August 2018

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow triangle is positioned above the 'Y'.

Building a better  
working world

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Focused on  
your future



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.psaa.co.uk](http://www.psaa.co.uk))

The 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 23 February 2017)' issued by PSAA 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 Annual Audit Letter is prepared in the context of the Statement of responsibilities. 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 Steve Varley, 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.



# 01 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 2018. Below are 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 2018 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 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.

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 £500m so we did not perform any audit procedures on the consolidation pack.



## Executive Summary (cont'd)

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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 25 July 2018.
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 25 July 2018.

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In January 2019 we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

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

Stephen Clark  
Partner  
For and on behalf of Ernst & Young LLP



02

## Purpose and Responsibilities

# Purpose and Responsibilities

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## The Purpose of this Letter

The purpose of this annual audit letter is to communicate to Members 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 2017/18 Audit Results Report to the 25 July 2018 Executive Board, representing those charged with governance. We do not repeat those detailed findings in this letter. The matters reported here are the most significant for the Council.

## Responsibilities of the Appointed Auditor

Our 2017/18 audit work has been undertaken in accordance with the Audit Plan issued on 31 January 2018 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
  - ▶ On the 2017/18 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 £500m so 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. 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.



03

## 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 Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 25 July 2018. Our detailed findings were reported to the 25 July 2018 Executive Board.

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

Significant Risk	Conclusion
Misstatements due to fraud or error	We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.
The financial statements as a whole are not free of material misstatements whether caused by fraud or error.	We obtained an understanding of controls in this area from writing to members and senior Council staff and evaluating their responses.
As identified in ISA (UK and Ireland) 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.	We reviewed accounting estimates for evidence of management bias, and reviewed the calculation and year-on-year movement in the minimum revenue provision (MRP). We evaluated the business rationale for any significant unusual transactions. 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>Auditing standards also required us to presume that there is a risk that revenue and expenditure may be misstated due to improper recognition or manipulation.</p> <p>We respond to this risk by reviewing and testing material revenue and expenditure streams and revenue cut-off at the year end.</p>	<p>We documented our understanding of the controls relevant to this significant risk and confirmed they have been appropriately designed.</p> <p>We obtained breakdown of capital additions in the year and reviewed the descriptions to identify any items that could be revenue in nature and increased sample sizes when testing PPE additions. We also agreed samples to source documentation to ensure the capital/revenue split was reasonable.</p> <p>We designed journal procedures to identify and review adjustment manual journals moving amounts from revenue codes to capital codes.</p> <p>Our testing has not identified any material misstatements from revenue and expenditure recognition.</p> <p>Overall our audit work did not identify any material issues or unusual transactions to indicate any misreporting of the Council's financial position.</p>

Other Key Findings	Conclusion
<p>The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represents significant balances in the Council's accounts and is subject to valuation changes and impairment reviews. 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>We considered the work done by the Council's valuer, including the the scope of the work, professional capabilities and the results. We sample tested key asset information used by the valuers. We considered any specific changes to assets. We considered changes to useful economic lives as a result of the most recent valuation. We also reviewed assets not subject to valuation in 2017/18 to confirm that the remaining assets were not materially misstated and tested that accounting entries were correctly processed in the financial statements.</p>
<p>Valuation of pension assets. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. 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>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> <p>we identified an issue with some differences between the estimated fund value applied by the actuary as at November 2017 and the actual outturn on the fund value of the Warwickshire Pension Fund as at 31 March 2018. This resulted in an overall difference of £7.3m from the actual fund value. The Council's estimated share of this difference is £257K. We did not ask the Council to adjust the financial statements for this amount.</p>

## Financial Statement Audit (cont'd)

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### 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 £967K (2016/17: £973K), which is 2% of gross expenditure reported in the accounts of £48.3 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 them all audit differences in excess of £48K (2016/17: £49K)

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- ▶ Remuneration disclosures including any severance payments, exit packages and termination benefits. We checked senior managers' pay to payroll records: all exit packages and termination benefits were checked to payroll and authorisation procedures.
- ▶ Related party transactions. All senior managers' declarations were seen and corporate related parties checked for consistency with the statements and with our knowledge of the audit.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations. There was one unadjusted misstatement in the financial statements: this was in relation to IAS 19 Asset values and is £257K.



# 04 Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on 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.



We did not identify any significant risks in relation to these criteria.

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 25 July 2018.



## 05 Other Reporting Issues



## Other Reporting Issues

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### Whole of Government Accounts

The Council is below the specified audit threshold of £500m, so we did not 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.

## Other Reporting Issues (cont'd)

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### Objections Received

We did not receive any objections to the 2017/18 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 on 25 July 2018. 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.

### 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 adopted a fully substantive approach and have therefore not tested the operation of controls.



## 06 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 9 Financial Instruments	<p>Applicable for local authority accounts from the 2018/19 financial year and will change:</p> <ul style="list-style-type: none"> <li>• How financial assets are classified and measured;</li> <li>• How the impairment of financial assets are calculated; and</li> <li>• The disclosure requirements for financial assets.</li> </ul> <p>There are transitional arrangements within the standard and the 2018/19 Accounting Code of Practice for Local Authorities has now been issued, providing guidance on the application of IFRS 9. In advance of the Guidance Notes being issued, CIPFA have issued some provisional information providing detail on the impact on local authority accounting of IFRS 9, however the key outstanding issue is whether any accounting statutory overrides will be introduced to mitigate any impact.</p>	<p>Although the Code has now been issued, providing guidance on the application of the standard, along with other provisional information issued by CIPFA on the approach to adopting IFRS 9, until the Guidance Notes are issued and any statutory overrides are confirmed there remains some uncertainty. However, what is clear is that the Council will have to:</p> <ul style="list-style-type: none"> <li>• Reclassify existing financial instrument assets</li> <li>• Re-measure and recalculate potential impairments of those assets; and</li> <li>• Prepare additional disclosure notes for material items.</li> </ul>
IFRS 15 Revenue from Contracts with Customers	<p>Applicable for local authority accounts from the 2018/19 financial year. This new standard deals with accounting for all contracts with customers except:</p> <ul style="list-style-type: none"> <li>• Leases;</li> <li>• Financial instruments;</li> <li>• Insurance contracts; and</li> <li>• For local authorities; Council Tax and NDR income.</li> </ul> <p>The key requirements of the standard cover the identification of performance obligations under customer contracts and the linking of income to the meeting of those performance obligations.</p> <p>Now that the 2018/19 Accounting Code of Practice for Local Authorities has been issued it is becoming clear what the impact on local authority accounting will be. As the vast majority of revenue streams of Local Authorities fall outside the scope of IFRS 15, the impact of this standard is likely to be limited.</p>	<p>As with IFRS 9, some provisional information on the approach to adopting IFRS 15 has been issued by CIPFA in advance of the Guidance Notes. Now that the Code has been issued, initial views have been confirmed; that due to the revenue streams of Local Authorities the impact of this standard is likely to be limited.</p> <p>The standard is far more likely to impact on Local Authority Trading Companies who will have material revenue streams arising from contracts with customers. The Council will need to consider the impact of this on their own group accounts when that trading company is consolidated.</p>



## Focused on your future (cont'd)

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Standard	Issue	Impact
IFRS 16 Leases	<p>It is currently proposed that IFRS 16 will be applicable for local authority accounts from the 2019/20 financial year.</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>There are transitional arrangements within the standard and although the 2019/20 Accounting Code of Practice for Local Authorities has yet to be issued, 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>Until the 2019/20 Accounting Code is issued and any statutory overrides are confirmed there remains some uncertainty in this area.</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>

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#### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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## **Agenda Item No 7**

### **Executive Board**

**19 November 2018**

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

#### **Key Corporate Issues**

### **1 Summary**

- 1.1 The purpose of this report is to draw Members' attention to the key Corporate issues facing the Council in the mid-term future. It seeks to assist Members in addressing these issues during the finalisation of the 2019/20 Corporate Plan and Budget and further in the lead up to next year's Elections.

#### **Recommendation to the Council**

**That the issues raised in this report be taken into consideration by Members when preparing the Corporate Plan and Budget for 2019/20 and beyond.**

### **2 Consultation**

- 2.1 Many of the key issues in this report have been the subject of discussions in various Board meetings.

### **3 Introduction**

- 3.1 Members have already agreed the Financial Strategy 2018-23 and consequently in broad terms many of the issues referred to below are within Members' knowledge.
- 3.2 The purpose of the report is to give Members a strategic overview of the main issues affecting the Council to aid both short term decision making and medium term planning.
- 3.3 In putting this report together, I have used information given to Members in previous years so, hopefully, much of the content will be familiar.
- 3.4 As always though, there have been significant changes and developments since the last report.

## 4 **Snapshot of the Borough**

- 4.1 As a rural former mining area, the Borough had virtually no population growth for over twenty years, but growth that is significantly higher than historically is now well underway and the Borough now has the second fastest growing economy in the Country.
- 4.2 This change has been reflected in the Council's Corporate Narrative, agreed at the September 2017 Council meeting.
- 4.3 In employment terms, the Borough is very popular due to its strategic position on the transport network. This includes A5, M6, M42, M6 Toll, West Coast Mainline, two rail-served major logistics sites, located between Birmingham and East Midlands Airports and bordering the cities of Birmingham and Coventry, in addition to the large towns of Nuneaton and Tamworth.
- 4.4 Due to its location, the economic connections go in a number of directions, namely towards Greater Birmingham (including South Staffordshire); Leicestershire (particularly Hinckley & Bosworth) and the Coventry and Warwickshire sub-region.
- 4.5 Because of this, there is a great deal of inward and outward job migration.
- 4.6 Despite its key strategic position in the country, North Warwickshire does still have a significant issue with communication and access. This has, to a limited extent, been addressed by the setting up of rural hubs around the Borough, which have also helped compensate for the loss of some key services, eg, libraries. There is still an underlying issue around Broadband access (although this has greatly improved with the Council and other agencies providing significant investment) and rural transport, particularly, but not exclusively, in relation to accessibility to local employment. The accessibility issue is also accentuated by our ageing population and the financial constraints which are pulling more and more key services out of rural areas and into towns and cities.

## 5 **Key External Issues Affecting North Warwickshire**

- 5.1 As with any organisation, external factors have a huge impact on what the Council can and cannot do and its direction of travel. This section looks at the various external issues which may affect the Borough over the next few years.

## 5.2 Political

5.2.1 For the last few years and driven largely by the economy, there has been a continuing drive for reduction in public service levels. Linked to this, there has been a relaxation of regulation, particularly over Planning, and, of particular relevance for North Warwickshire, a national push for housing and economic growth and the emergence of HS2 as a national infrastructure project, which is now underway.

5.2.2 This means that national policy issues are leaving us with even less money as an organisation, whilst dealing with the effects of a major infrastructure project running right through North Warwickshire and increasing demands to develop the Borough (both in terms of housing and employment land) to meet national and regional as well as local requirements.

## 5.3 Economic

5.3.1 There is a distinct overlap between political and economic issues and, helped by the national drive to build more housing, there has been an upsurge in the demand for residential development in areas around the Borough. This will have a significant impact on what North Warwickshire will look like in the future.

5.3.2 That demand has come from within the Borough and also, significantly, from Tamworth, Birmingham and, to some extent, Coventry too.

5.3.3 In addition to the housing demand, however, there are other economic pressures on our borders. Birmingham Airport continues to make overtures about expansion, although their latest plans only relate to additional work on their existing site. Construction of HS2 is now underway and there is a need for a lot more strategic allocations of employment land in the West Midlands.

5.3.4 Government policy expects Councils to embrace this growth, encouraged with incentives such as Business Rate income (although it is unclear if and when this regime will change) and, for the time being, New Homes Bonus.

5.3.5 The other side of the coin is that the growth will put additional strains on the infrastructure of the Borough and on the provision of public services by a number of agencies, whether it is highways (most significantly the A5), schools, policing, health services, social care, housing, refuse collection, leisure, or a host of other issues.

- 5.3.6 Planning agreements with Developers are important in terms of helping to meet the increased needs generated by future growth on a range of services. The funds derived from such agreements are, however, highly unlikely to be sufficient to resolve all issues. The Council has made the provision of sufficient infrastructure an important issue and this will bring challenges of its own for the authority as there will be capacity demands on a limited pot of Developer contributions. Clarity of priority will be essential, as will pushing for access to funding for some of the bigger infrastructure issues. The Council has established a Member Task & Finish Group to look at infrastructure and Councillors have received a number of presentations relating to transport, health and education.
- 5.3.7 Whilst the local economy is a fantastic success story due particularly to our location for logistics, the impact of robotics in the logistics industry could lead to a massive reduction in the number of jobs available in the Borough in future years and this is a significant potential future risk to the economy.
- 5.3.8 At the time of writing this report, Brexit negotiations were still ongoing, so, whilst the outcomes of these discussions could impact on the local economy, it is very difficult to predict what that would be.
- 5.4 Social
- 5.4.1 North Warwickshire has a higher than average demographic profile, with a relatively low proportion of 20-39 year olds. There is already a national issue about how the public sector will cope with our ageing population moving into the future and North Warwickshire's demands are likely to become acute more quickly, simply because of that demographic profile.
- 5.4.2 In terms of employment opportunities for younger people in the Borough, there is no shortage of jobs, but many of them are relatively low paid. In terms of skills, school results are generally improving in the Borough, but there is still work to be done around both raising aspiration levels and linking the skills that people have to employer requirements, with engineering being a particular issue, as it is nationally. Proposed allocations in the Local Plan seek to address this by supporting high tech employers such as MIRA, but the Council will continue to face pressure to release land for logistics.

5.4.3 More thought needs to be given to changing social trends as more young people come into the job market. There is plenty of anecdotal evidence that employment patterns and motivators are changing. The concept of a job and house for life and a company pension at 60 or 65 are long gone and many entrants to the job market are finding it difficult to follow a straight career path and expect to be working for much longer than previous generations. At the same time, housing is much harder to come by and certainly to purchase (although house prices to July 2018 in North Warwickshire only grew by 0.2%, which may reflect the increase in housing completions that we have seen for the last few years) and jobs can potentially be more difficult to find as many people now work long after the previous retirement age which was compulsory in many organisations. Changes in attitude may include being more driven by work/life balance and a flexible approach both to employment and housing, which need to be properly understood for future planning by public organisations.

5.4.3 In the meantime, the ongoing issue of rural isolation continues to be a factor in terms of, for example, access to services for older people and access to employment for younger ones, as well as those people without their own private transport. Early discussions have started with the County Council to develop a separate transport strategy for North Warwickshire, looking for innovative sustainable transport solutions. The improving broadband provision and the establishment and evolving nature of hubs around the Borough has made some impact on this issue.

## 5.5 Technical

5.5.1 Since 2012, the availability of Superfast Broadband has increased from just 50% of the Borough having access, to 85% at the end of Contract 1 in July 2016 and it is predicted to be 90% once Contract 2 is completed at the end of the 2018/19 financial year. Contract 3, towards which the Council has provided match funding, has started and is due to complete in Autumn 2019. It includes hard to reach and costly to connect premises but, by the end of these three contracts, we anticipate that 96% of properties across North Warwickshire will have access to Superfast Broadband. However, due to the rural nature of the Borough, it is likely to have a higher proportion of people and premises which are unable to access Superfast Broadband. Whilst ways of addressing this shortfall are being investigated, we need to be mindful of the impact this will have on those not served going into the future.

5.5.2 Whilst it is early days, 5G may allow increased speeds and, therefore, remove the need for fibre connections and the WMCA has been selected as a test bed for this.

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## 6 **Internal Issues**

6.1 North Warwickshire Borough Council has been in existence for over forty years and prides itself on delivering effective and efficient local services to meet local need. This has been more and more challenging over the last few years as finances have continued to diminish, but the authority has been peer assessed as “punching far beyond its weight” and has proved it through obtaining national award recognition in a number of areas. This section looks at North Warwickshire Borough Council as an organisation and the challenges it might face over the next few years.

### 6.2 Partnership

6.2.1 The financial constraints applying to the Council also affect many other bodies in the public and third sectors. This has sharpened the thinking of many organisations in terms of working in partnership and this Council has a good and long track record of achieving impressive results through partnership. This was picked up in the Council’s Peer Challenge in 2013, with examples around the Welfare Reform Agenda particularly highlighted. There are many others, eg:-

- Maximising public building usage by having other agencies in the Council offices, most notably the co-located Job Centre, Warwickshire Police and Warwickshire County Council officers. Further opportunities are being sought through the Government’s ‘One Public Estate’ programme;
- Sharing the Building Control Service with Nuneaton & Bedworth Borough Council;
- Shared management of Revenues & Benefits, also with Nuneaton & Bedworth Borough Council;
- A number of joint leisure partnerships with local schools and, most particularly, the dual-use agreements operating in respect of Coleshill Leisure Centre and Polesworth Sports Centre (recently extended);

- Joint working on HS2 transport and economic development;
- Partnership arrangements with key communities around the delivery of community hubs. This programme is currently under review about how best to support outreach work, which will be increasingly dependent on multi-agency support if it is to continue;
- Supporting a multiple award winning expanding food operation under the “Ediblelinks” branding, delivered by the Healthy Living Network, in partnership with the private sector, most notably Ocado. This has supported vulnerable customers and community groups predominantly across the north of the County since 2013;
- North Warwickshire Community Partnership, which is providing a local strategic oversight of achieving improvements on priorities for educational attainment, health and poverty and access to services;
- The LEADER Project and destination management, both of which are undertaken in partnership with organisations in the business and third sector, as well as with Hinckley & Bosworth Borough Council;
- The Warwickshire North Health & Wellbeing Partnership, working with a wide range of parties across the area of the Warwickshire North Clinical Commissioning Group on health-related issues;
- Community Development work undertaken with public, private and third sector parties in targeted locations across the Borough;
- Joint tendering exercises with Nuneaton & Bedworth Borough Council and Coventry City Council for new waste services contracts;
- The Northern Warwickshire Financial Inclusion Partnership which is a local operational and strategic group to support customers impacted by welfare reforms, as well as the low wage economy across the north of the Borough;
- Sharing or employing staff from neighbouring local authorities on a part-time or short-term basis in areas where we lack expertise or capacity (eg, engineering, Armed Forces support, recycling promotion, land valuations and project management);
- The HEART Partnership with Nuneaton & Bedworth Borough Council, Warwick District Council, Stratford-on-Avon District Council, Rugby Borough Council and Warwickshire County Council;

- Partnership with Nuneaton & Bedworth Borough Council to provide the private sector housing service;
- Partnership with Public Health to promote HEART and the homelessness duty to refer requirements to improve discharge from hospital arrangements;
- Partnership with the County Council and other Districts and Boroughs to work jointly to prevent homelessness;
- Warwickshire Third and Public Sector Partnership Group; and
- The partnership with the Warwickshire Wildlife Trust, through which the Borough's four local nature reserves are managed and community engagement encouraged.

6.2.2 It is important that the authority continues to look to use partnerships for opportunities to both maintain/enhance services and make financial savings, but, equally important, is that we use them to ensure that North Warwickshire has a voice. North Warwickshire Borough Council is small in population terms and, as a result, did not always find itself at the table in terms of bigger strategic issues. This situation has changed significantly as the Council became a full member of the LEP, as well as a Non-Constituent Member of the West Midlands Combined Authority in 2017.

6.2.3 As a result of this, we have been in a better position to get more recognition given to our strategic importance and to push, for example, the need to improve the A5, where the scheme for enhancement has been accepted by the Government for the Housing and Infrastructure Fund. The full scheme is being worked up for submission in March 2019.

6.2.4 As the economy takes off and there is increasing demand for space to construct new housing and employment sites, the Council needs to constantly consider how it can best influence that agenda. The geography that affects us is bigger than the Coventry & Warwickshire LEP, as much of the pressure on North Warwickshire is coming from across the border in Greater Birmingham (which includes Southern Staffordshire).

6.2.5 As Members are aware, the emerging Local Plan aims to deal with the development pressures from outside our boundaries.

- 6.2.6 Whilst it is for this Council to decide how it wants to deal with the opportunities and threats coming from any economic upsurge (within requirements of the national policy framework), it will be important to ensure that we have mechanisms for ensuring that our voice is listened to and, indeed, considering whether we are in the right partnerships at all.
- 6.2.7 The major new factor at a local level coming out of the Government's devolution agenda has been the emergence of the West Midlands Combined Authority (WMCA). This has started to change much of the thinking around strategic partnership working and whilst the Borough is an even smaller cog in the wheel, our Non-Constituent Membership creates more opportunity to have a seat at the table on key initiatives and to make sure that our voice is heard by working with the other Non-Constituent Members, particularly Warwickshire County Council.

## 7 **Stakeholders**

- 7.1 This is a brief section on who our stakeholders are and what their aspirations might be.

### 7.2 Politicians

- 7.2.1 Members' aspirations will continue to be constrained by diminishing resources which means that it is highly unlikely whether we can continue to run "business as usual" right across the board.

- 7.2.2 Members will, therefore, continue to have some difficult choices to make over priorities going forward. This is likely to be a key area to focus on, following the Council Elections in May 2019.

### 7.3 Staff

- 7.3.1 We continue to have a relatively well-motivated, stable and dedicated workforce and largely deliver services in-house, despite the challenges caused by the ongoing financial reductions. (This includes redundancies as services are cut back.) The need to maintain morale levels is undoubtedly becoming more challenging as reducing resources are available to deal with increasing demand in a number of areas. As the economy and local opportunities have changed, there has been greater external movement in staff creating increasing difficulties in recruiting to our more senior vacancies in a number of key areas in what are already small teams. A significant reduction in sickness absence assisted with capacity in 2017/18. However, the ability to maintain this level will depend on the number of more serious sickness issues that employees experience. Short term sickness absence has remained fairly constant for a number of years, with variations in overall absence reflecting changes in the level of long term absence.

- 7.3.2 Staffing changes create both opportunities and problems. Staff development through training, including for professional qualifications, apprenticeships, etc, and particularly looking at our future leaders, is an area that needs to be given proper consideration, as ways of ensuring that we both recruit and retain our best staff. A recent example of this was the Planning Division restructuring which involved training, development and promotion of in-house staff.
- 7.3.3 Underlying these issues though, the fact is that the workforce is, as stated above, well-motivated and dedicated and, in addition, highly-experienced, which has been of great benefit to the Council as staffing numbers have reduced in previous years. The pace of change is accelerating all the time and it is crucial that, as there are major changes to employment practices such as digitisation and more commercial approaches to service delivery, we help staff through the transition process.
- 7.4 Local Community
- 7.4.1 Whilst there have been significant cuts in Council spending over the last few years, these have only recently started to filter through to delivery of front-line services.
- 7.4.2 It is difficult to see how it will be possible to continue to deliver everything going forward and Members know that they will have to make some difficult choices. There will be some interesting challenges, if and when things stop happening. Local communities have an understandable passion for those services that they value and it is going to be vital to have absolute clarity about the direction the Council is going in and consulting and getting coherent and consistent messages out well in advance of taking any action.
- 7.4.3 As we move forward, the Council will need to work with communities to shape priorities, including looking at them taking more responsibility for service design, development and delivery. In order to do this, development and capacity building will be required to assist communities to assume responsibility for future service provision, as the Council's capacity to delivery services directly reduces.
- 7.4.4 To help in this process, the Council has reviewed its communications policies and practices and appointed a new Communications Officer to work with management to deliver a new Communications Strategy.
- 7.4.5 The Housing Division works closely with its tenants and specifically the Borough Wide Tenants' Forum to deliver the Council's landlord services. The Forum provides for a scrutiny role and supports the Division in policy development.

## 7.5 External Partners

7.5.1 We work with a number of organisations across the public and voluntary sectors, as well as with local businesses. Frequently, the Borough Council itself is perceived to be a partner of choice.

7.5.2 Many of these organisations are reviewing how they provide and deliver services and often the Council is seen as a long-stop when local services disappear. Whilst there are some really good examples where this makes sense (eg, providing accommodation for phlebotomy and physiotherapy services locally) we will always try and look for efficiencies through partnership working. What the Borough Council cannot do is pick up work that was main-stream for other organisations on a regular basis in order that they do not stop altogether. This trend seems to be growing year on year and it is very difficult for the Council to ignore, due to the very local and democratic nature of our focus, but it is just not sustainable for the Council to keep stepping into the shoes of other organisations.

## 8 **Key Service Issues**

### 8.1 **Housing Services**

8.1 These fall into Statutory Services (private sector housing standards, homelessness, mandatory disabled facilities grants); Regulated Services (Council's landlord services – management and maintenance) and Non-Statutory Services (including Borough Care, and CCTV in Atherstone).

#### 8.1.1 Key Challenges

- The provisions set out in the Homelessness Reduction Act 2017 were enacted from 3 April 2018 and 1 October 2018. These present significant changes to the Council's mandatory services for homeless applicants and prescribe how we have to act in order to prevent homelessness, ensure support services are in place and take action to relieve homelessness. Meeting housing needs and being able to draw in suitable support services is becoming increasingly difficult.
- Continuing and increasing demand from households in both the private and public sector with difficult financial issues which could be exacerbated by rising interest rates and the roll-out of welfare reforms. In the public sector this will put pressure on income collection.

- The Government intends to introduce new legislation for housing standards in the public and private sector. Mandatory licensing has been introduced for all Houses in Multiple Occupation. The Private Sector Housing Team will face challenges with regard to property conditions, monitoring licenced premises, ensuring suitable housing standards and the need for enforcement.
- There is a requirement to support the health and social care economy to make savings and act efficiently. A critical area continues to be prevention from hospital admission and reducing delayed discharge. We are well placed to support this agenda as part of a joint Housing Board, which is part of the Warwickshire Better Together partnership arrangements. The Borough Care Service and HEART are both well positioned to help with this agenda.
- As a landlord, maintaining our 30 year Business Plan in the context of:-
  - (a) Dealing with the impact of more Right to Buy sales; and
  - (b) Collecting rent in the face of welfare reforms.
- In terms of stock maintenance, we need to balance making a contribution to providing new homes both strategically in partnership and through delivery of our own stock on the one hand whilst, on the other, not impacting on our ability to provide high-quality homes through our existing stock. Health and Safety compliance for the stock and tenants is a critical area of work.
- Challenges are set out in the Asset Management Plan with regard to the refurbishment of blocks of flats to address structural deterioration and health and safety issues.
- Promoting the Borough Care Service generally and seeking partnership work is challenging in the face of both local and national competition. However, progress is being made.

## 8.2 **Revenues & Benefits and Customer Services**

- 8.2.1 As mentioned above, the current national economic position is still having a significant impact, particularly on those on low income, as welfare reforms that started in 2011 continue to take effect. There are, however, some positive signs:-

- The Council has been able to retain its Council Tax Support scheme at a maximum level of 91.5% since introducing it in 2013 (in the best 25% schemes nationally), along with other discount and exemption changes that are raising increased income. Despite these changes, which have resulted in higher bills, the Council has returned its highest ever collection rates in respect of Council Tax in 2017/18, placing it 55<sup>th</sup> of 329 Councils nationally and, in respect of Business Rates, it was the second highest performing Council in the country, with a collection rate of 99.9%. This saw the service being recognised as the Public Sector Collections Team of the Year in 2017 and also Highly Commended by the Institute of Revenues, Rating and Valuation for its achievements.
- Our Benefits caseload has steadily fallen from a peak in 2012 by nearly 20%. This can be attributed in part to the number of job opportunities in the area, less pensioners claiming support due to higher incomes in retirement, as well as the start of the managed migration of customers onto Universal Credit.
- Local Partnership initiatives such as the Community Hubs and, particularly, the Food Hub are helping local communities access help and advice, as well as supporting activities that support wider financial inclusion and increasingly health-related ambitions. These have been put onto a more sustainable footing during 2018 as a result of the Food Hub being awarded nearly £600,000 of National Lottery grants to support its ongoing operation over the next three years. The project has also been externally recognised by the winning of a number of awards for its innovative approach to providing proactive as well as reactive support to issues caused by the Welfare Reform and the challenging economic climate.
- A positive trend is showing that more of our customers are choosing to pay by electronic methods where direct debit isn't preferred and more on-line services are being used, which has seen a reduction in telephone calls received. This is allowing the Council to continue to deliver a responsive service to customers contacting us in person, by telephone or digitally via on-line forms, web chat and social media.
- The Council's shared service partnership with Nuneaton & Bedworth Borough Council continues to evolve and the decision to move onto a common platform also used by the other Warwickshire Districts has resulted in financial savings being achieved going forward. This change should also deliver operational benefits in the future, as well as the potential for further expanded shared working across Warwickshire.

## 8.2.2

### Challenges include:-

- In the short-term, moving onto a new Revenues & Benefits platform is likely to see a downturn in historical very high levels of performance during the transition period. This, aligned with the ongoing national changes in respect of both revenues and benefits and the challenging financial and economic environment is impacting on the ability to deliver a robust and timely service.
- Those unemployed and left on the unemployment register will need significant support to be work ready. Many are currently in receipt of disability benefits that currently do not require them to work. This remains under ongoing review and initiatives are being delivered to help people into or nearer work, alongside the DWP and with other partners, a number of which have taken place in the Community Hubs and the Memorial Hall.
- Ongoing welfare reforms are having a particular impact on our most vulnerable customers, including many of our own Council tenants, making the collecting of Housing Rents, Council Tax and Housing Benefit overpayments more challenging. We are increasingly coming across cases where the debtor “can’t”, as opposed to “won’t” pay monies due. In these cases, significant additional support is being needed to find ways of supporting these customers, both via our own resources including our in-house developed customer referral form and the EdibleLinks food hub, as well as our financial inclusion partners, to address their circumstances.
- At the same time that Council staff are dealing with these new challenges, funding for advice agencies such as CAB is reducing whilst levels of personal debt are increasing. The Council is addressing these challenges through the ongoing and effective work of the North Warwickshire Community Partnership and its Financial Inclusion Partnerships. It is clear already that these resources are going to be insufficient to deliver the level of support to some of our most vulnerable customers and, consequently, this position will get more challenging.

- The Universal Credit programme finally started in June 2017 and has now been rolled-out across all four job centres covering North Warwickshire by September 2018. As a result of delays and major operational changes, the programme will not now be fully rolled-out before 2024. This, alongside the ongoing annual costs in benefits subsidy mentioned above despite increasingly complex service issues, in addition to new homelessness responsibilities, is having an adverse impact on Council resources to cope with these changes. It is also making ongoing workforce planning more difficult and impacting on staff morale.
- Work that the Council has already put in place through its Financial Inclusion Partnership and, in particular, work with key partners in the DWP and Nuneaton & Bedworth Borough Council should help us to help our residents “to do more to help themselves” and engage with greater on-line and remote support than was previously necessary.
- Decisions will also need to continue to be reviewed on an annual basis regarding whether or not the Council can afford to maintain the current very supportive level of Council Tax Support that is helping customers meet Council Tax payments when compared nationally. Because of the reducing financial support mentioned above, this is likely to see a simplified county-wide scheme being proposed to Members to start in 2020. This will be aligned to a review of whether we can continue to support Community Hubs as funding reduces and the level of partner support to help deliver the multi-agency approach we are seeking to promote becomes ever-more challenging.
- There are anticipated further changes to statutory regimes expected, particularly in respect of the administration of Business Rates. These are requiring increasing new demands and responsibilities to be taken on that has seen the implementation of an increasing number of localised rate relief schemes to offset the impact of the revaluation which all are having impacts on finite resources. The proposed move to greater retention of business rates continues to be reviewed against an uncertain backdrop of future Local Government Finance and one that locally is also seeking to ensure that the Council is not penalised by the impending impact of HS2 on its ability to generate income from the business rate growth in the area.

- On a more general customer service front, how the Council can build on its current “digital by default” agenda and a move to greater automation where possible and how this is developed, funded and resourced in the future is a constant concern in meeting growing customer and Government expectations. This has been made more challenging by the introduction of new Data Protection rules that were introduced in 2018 and the increased risks around data security externally to information held by the Council. This often makes assisting customers in a joined-up way more difficult and is also resulting in more demands being made on our limited resources in meeting both legal and operational expectations.

### 8.3 **Planning**

8.3.1 I have referred to the overall planning position in previous sections, but specific up and coming challenges include:-

- Getting the new draft Local Plan adopted, so as to provide a strong spatial strategy for the growth agenda.
- Dealing with a sustained increase in major planning applications and managing new development on a significant scale, so as to deliver new infrastructure and to integrate with existing communities.
- HS2 – dealing with the implications as Phase 1 has started to be constructed and working with the community to lobby Government on Phase 2b.
- Continuing to deal with changes in the planning system, particularly those affecting affordable housing and the general reduction in the number of development proposals that come to the Council for decision.
- Coventry and Warwickshire LEP, WMCA and Joint Committee – continuing to develop a role and maximising funding opportunities, linked to better working with Warwickshire County Council to produce “pipeline” projects for funding.
- Developing a coherent economic development picture for the Borough – based on advice from LEADER Consultants and linked to the Birmingham, Tamworth, Coventry, HS2 and LEP issues above.

- Once the Local Plan has been considered, start work on options for growth beyond the plan period, into the 2020s and 30s looking at the opportunities presented by an operational HS2, the need for further employment allocations across the West Midlands and looking at local regeneration and heritage issues.

## 8.4 **Leisure & Community Development**

8.4.1 The key issue for the Division over the next twelve months will be the implementation of the agreed outcomes of the Strategic Leisure Review process which, when ultimately finalised, will provide the long-term framework and strategic direction Borough Council's involvement in these important aspects of service provision. These strategies, which each take account of predicted population and housing growth over the next fifteen years, will have profound implications for the nature of services to be provided for and within the local economy.

8.4.2 Particular challenges for the Borough Council exist in the following areas of activity:-

- The adopted Leisure Facilities Strategy has identified the need to determine the long-term future of leisure facility provision across North Warwickshire, including the location and appropriateness of the authority's current sports and leisure centres. The asset transfer of Arley Sports Centre has been the first part of this process. There is, however, a need to provide clarity about the future of leisure facility provision in Polesworth, in respect of which a short-term extension of the Sports Centre's current dual-use agreement (on improved financial terms for the Borough Council) has been negotiated, and, thereafter, to review the future of the Leisure Complex in Atherstone, including the Memorial Hall. In the meantime, the Borough Council has determined the need to improve the operational efficiency of the existing facilities, two of which (Atherstone and Polesworth) are ageing. The facilities are managed through a Service Improvement Plan, which is subject to close and regular scrutiny by the Community & Environment Board.

- Members have adopted, in principle, the externally produced Playing Pitch Strategy, but have instructed officers to rewrite the draft Green Space Strategy produced by consultants. The importance of the Borough's landscape and open space functions, however, are not in question. Whilst much was achieved through the first Green Space and Playing Pitch Strategies, progress is still required, most particularly in ensuring that the quality of provision meets local need and demand, that access is maintained and enhanced and that account is taken of the population growth expected in North Warwickshire. Much of this work will require partnerships to be established with community and voluntary sector organisations, the majority of which are not used to, or prepared for, taking an active role in the development and management of important public assets. Examples of effective local practice now exist, however, and further progress will be needed in order to ensure the provision of linked and locally valued green space, enhanced play provision for children and young people, and better quality grass and non-turf playing pitches served by appropriate ancillary accommodation. In support of the Green Space and Playing Pitch Strategies, the Borough will also benefit from the production of a ten-year Local Football Facilities Plan, although this, too, will undoubtedly highlight the need to improve the quality of provision for both junior and adult teams. There is also a need to resolve the longer-term future of Atherstone Football Ground.
- The continued implementation of the revised and focused way of working in Community Development, through which activity will continue to be targeted in locations already determined by Members and in which communities are becoming central to the identification of their own needs and the means by which those needs are met. Initially at least, activity will continue to be targeted into Atherstone/Mancetter, Dordon and Arley and Whitacre and its scope will primarily be limited to Community Safety, Health Improvement and Rural Regeneration. The Division will need to better engage partners and communities in service design, development and delivery and to focus its work on longer-term engagement within areas of greatest need. Members will be aware of the demand for a constructive Borough Council intervention in areas such as "Heritage" and "Destination Management". To date, this demand has been accommodated within existing resources, but any increase in expectation will necessitate a review of capacity.

- Ensuring that “health and wellbeing” is further embedded as a central theme of work across the Division and more corporately. This is an area of activity in which the Borough Council’s significance and role have both grown considerably in recent years and this direction of travel will be maintained through 2019, the county-wide “Year of Wellbeing.”
- Ensuring the enhanced operational efficiency of all aspects of service provision, including the need for a more overtly commercial approach to elements of service delivery, most particularly in respect of the operation of the leisure facilities.
- The introduction of a proactive tree management and inspection service for the first time since 2011. Early progress has been made in determining the processes through which this important piece of work will be undertaken. The size of the task is considerable, however, and it will require input from beyond the Green Space Officer (Trees).
- The continued effective management of the local LEADER programme, in conjunction with Hinckley & Bosworth Borough Council, including the need to ensure the realisation of projects that meet the priorities of DEFRA and the European Union, as well as those of the Local Development Strategy. There is considerable pressure from DEFRA to ensure the allocation of all funds by June 2019, which will require a significant commitment from the small team charged with managing the related (and complicated) processes.
- Ensuring the delivery of a growing programme of special events, through which to promote the priorities of the Borough Council, including, for example, events linked to North Warwickshire’s growing reputation as a venue for high profile road cycling. In May 2019, this programme will include the Borough’s involvement in the Velo Birmingham and Midlands event, in which over 15,000 cyclists will participate.

8.5 **Corporate Services**  
(including **Information Services, Procurement, Communications & Central Administration**)

8.5.1 Key projects, issues and challenges include:-

- A major IT and organisational project for 2018/19 is implementing Microsoft Office 365 across the Council and ensuring that people understand and can use the new software and functionality. Our aim is to deliver a noticeable improvement in the 'personal productivity' features which help us collaborate and give efficiencies.
- Working to prevent cyber security incidents affecting the Council through staff training and technical measures and preparing to respond to and recover from any incident that should occur. We will be specifically working on the recommendations of the Local Government Association's Cyber Stocktake completed in September 2018.
- Dealing with the conflict we have due to the requirements on us around security and compliance, balanced against business/customer demand and the need for innovation, openness and transparency.
- Understanding and responding to the impact of Brexit on Procurement regulation and practices.
- Developing communication to ensure it supports the Council and its priorities at a strategic level, as well as providing a responsive service to external demands and strives to improve internal communications and engagement.
- Technology and social media will continue to change the way we communicate and how people engage and interact with us and we will need to be up to speed and able to lead and respond.
- We need to improve the quality and scope of our spatial information held on the Geographical Information System (GIS) and our address data. The priority is information about our land and property holdings, which is required by Land Registry and address data, which needs to be improved in preparation for the Census.

- Continue to develop online services and making their provision central to how we do things. The Government is pushing “digital by default” and moving towards online, digital only services.
- The need for pervasive and fast broadband and mobile data coverage, accessible/usable online services and skills. The Council’s support of CSW Broadband to increase coverage and work to provide access via the hubs has moved things forward significantly, but there will remain a small group of people and premises without access to Broadband or the skills and facilities to use the internet and online services.
- The drive to use ICT to help us manage, tailor and personalise customer experience and information and, in the future, automate services.
- Understanding as an organisation and exploiting technology changes and particularly the next developments of the internet – more connected, more mobile, more ‘intelligent’ and more location and situation aware technology.
- Managing the tension between keeping technology and legacy business applications working and the need to innovate, experiment and take risks, with fewer resources and less budget.

## 8.6 **Finance & Human Resources**

8.6.1 The Finance & Human Resources Division has a number of key tasks/projects to deal with, some of which support the action referred to in the section on the Council’s Financial position set out later, including:-

### (a) Finance

- Understanding proposed changes to external funding received by the Council, including the impact of a move to 75% business rate retention, changes to the allocations of New Homes Bonus and specific grants and the impact of the HS2 project.
- Forecasting movements in the collection of Non-Domestic Rates (NDR) as a result of the 2017 Valuation and changes in the economy.
- Managing the Medium Term Financial Strategy and savings targets and assisting service divisions to assess the financial implications of savings proposals.

- Forecasting the financial impact of the changes in legislation on the Council's thirty year Business Plan and assisting with information to ensure ongoing sustainability.
- Preparing a capital strategy that identifies the capital priorities of the authority, together with the available funding. Managing the available funding to enable the successful completion of capital projects and keeping projected future resources updated.
- Assisting with the financial aspects of key projects, eg, play area/vehicle replacements.
- Starting to assess options for the replacement of the current finance system going forward.

(b) Human Resources

- Maintenance of Health and Safety systems of control, despite pressure on resources.
- Assisting service divisions with the management of attendance and ensuring that Occupational Health is accessed as effectively as possible.
- Retention of key staff, particularly if the economy improves. Assisting with succession planning, including the use of apprentices.
- Monitoring capacity issues across the organisation and assisting with the exploration and implementation of new ways of working.
- Enhancing our existing approach to staff welfare and wellbeing.
- Ongoing staffing issues which can take up significant resources.

## 8.7 **Streetscape**

### 8.7.1 **Priorities/Challenges**

8.7.2 The pressures on frontline Streetscape services continue to increase, most notably in Refuse & Recycling, but also in other areas. The costs of recycling are increasing and the planned levels of new housing development in the Borough will stretch existing services such as waste management, street cleaning and grounds maintenance. Areas which will require further attention and action are:-

- Undertake a review of all domestic waste collections (garden waste, residual waste and recycling) to service growing demand from an increasing population, including moving the service to a zonal collection basis supported by new in-cab technology to increase capacity and service efficiency.
- Options to reduce the impact of high material recycling facility gate fees, storage and haulage costs through the potential development of an in-house sub-regional facility to separate and process recyclable waste.
- Consider the implications of the new National Waste Strategy (once published) with particular emphasis on the impact of any proposed deposit return schemes (for plastic bottles and other containers).
- Explore different options for the future location of operational centres for the Council's frontline services and the associated impact on how the Council continues to repair and maintain its vehicle fleet.
- Start to prepare for the move away from traditional fuels for motor vehicles and assess the future impact on the Council's transport fleet and the infrastructure requirements to support private motorists, with a particular focus on electric vehicles and charging points.
- Investigating ways to increase efficiencies in street cleaning and grounds maintenance.
- Consider ongoing public toilet provision and the need to refurbish or replace the facility in Atherstone, to better meet the needs of the disabled and the wider public. Look to provide a Changing Places facility if possible, on the footprint of the current site.

- Preparing the financial business model and the subsequent enforcement and capacity implications of off-street parking provision, following the eventual implementation of Civil Parking Enforcement (CPE) within North Warwickshire.
- Continuing to service, repair and, where appropriate, refurbish the Council's corporate property assets to ensure that our buildings are safe, well-maintained, sustainable, accessible and fit-for-purpose and review the medium to long-term future of the Council's various owned and leased industrial units.
- Work with other public sector partners (including meeting the specific requirements of the Police within Atherstone) to rationalise property and other assets, to enable local services to be delivered in the most efficient and cost-effective way possible through programmes such as One Public Estate, including the submission (in partnership with Warwickshire County Council) of a multi-centre North Warwickshire based bid under OPE7.

## 8.8 **Democratic Services**

8.8.1 Individual Electoral Registration continues to take a lot of staff time and more recently there has been an increase in democratic activity with two By-Elections. The main focus will be the Borough and Parish/Town Council Elections in May. In addition, Members continue to look at how the Council conducts its business and will return to reviewing Governance Models after the Elections in May 2019.

## 8.9 **Environmental Health/Licensing**

8.9.1 Fly-tipping continues to take a great deal of time and resources. Complaints about food premises are on the increase, due in part to the development of easier, digital ways for people to raise concerns.

8.9.2 The team is looking at developing an online app for people to be able to submit noise recordings, which should help streamline our response to such complaints.

## 8.10 **Other Issues**

8.10.1 Having looked at the main demands and challenges on a service by service basis, there are some other key areas which require a specific mention.

## 8.11 **Cross-Agency Issues**

8.11.1 The remaining areas are all ones where we work closely with partners often with more resources and wider remits than we have.

### (a) **Health & Wellbeing**

Local Government now has direct responsibility for Public Health exercised through the County Health & Wellbeing Board on which we are represented. Health Improvement has been a key concern for the Council over many years and, with a higher age profile than many areas, it is important that we play our role with partners in improving the quality of life of our residents. Many of our functions are health related, eg, Environmental Health, Leisure and Community Development Services and Housing, and we work with partners to look at ways of improving public health and unlocking financial resources. Our resources for getting involved in the bigger health issues are, however, limited and capacity remains a real problem in such a complex partnership agenda. Looking into the future, the Council needs to give consideration as to how it can maximise its effectiveness in this area as pressures on Health Budgets grow and there is greater pressure (and willingness) on Health Agencies to work more closely and potentially integrate with local government services, particularly but not exclusively, adult social care.

The Borough Council has taken the proactive step to introduce a Health and Wellbeing Working Party, which has led on the production of the authority's first corporate "Health and Wellbeing Action Plan". Over the next twelve months, the Working Party will seek to ensure delivery of the Action Plan priorities, which will impact on many areas of service provision. The authority is also a key partner within the Warwickshire North Health & Wellbeing Partnership and is active at both officer and Member level in the Warwickshire Health & Wellbeing Board, which is playing a significant role in trying to facilitate improvements in key health issues.

Recent work in the Warwickshire North Partnership, based on the Clinical Commissioning Group (CCG) Area, has attracted significant interest from all key Commissioning and Delivery Agencies which it is hoped will lead to some ground-breaking 'place based' initiatives.

### (b) **Community Safety**

As with the previous topic, we have a lot of involvement but limited resources to deal with this key issue. The Borough Council has, however, made some important interventions working in partnership, particularly in relation to CCTV and reducing rural crime.

The implementation of the successful Warwickshire Rural Watch Scheme has been developed from the North Warwickshire Reducing Rural Crime Project. The case for prioritising Rural Crime is now well established and is included in the Warwickshire Police & Crime Plan 2016 – 2021.

There are external influences, including changes to local Policing structures which require effective partnership arrangements to sustain Making North Warwickshire a Safer Place. Consequently, the Partnership itself is currently undergoing a review to improve its effectiveness.

Additional work is being developed to help improve road safety in the Borough and to tackle fly-tipping using a multi-agency approach.

Work is currently being undertaken with the Police to address risks associated with 'County Lines' which is about drug dealing which targets vulnerable people in the community. An initiative called 'Operation Alarity' has effectively disrupted the activity of cross-border criminals who are spreading their reach into rural towns and villages.

Additional support has continued to be provided to victims of domestic abuse in the Borough through funding contributions made to the Warwickshire Domestic Abuse Counselling Services.

A new CCTV scheme being implemented by Polesworth Parish Council is being supported to enhance coverage within the Polesworth village centre area.

(c) Safeguarding

The authority provides a wide range of services to the local community, many of which involve Borough Council staff and Councillors coming into contact with children, young people and vulnerable adults.

Members of the public have the right to expect high standards of conduct, integrity and service provision from the Borough Council. Accordingly, the authority recognises that, in the provision of its services, it has both a moral and legal obligation to ensure that it provides its community, including all potentially vulnerable people, with the highest possible standards of care. The development and implementation of its Child Protection and Vulnerable Adults Policies, along with the associated training for all Councillors and staff, in part ensures that the authority fulfils its obligations in this regard.

It has, however, been necessary for the authority to recognise that “abuse” in its various forms can occur within many situations, formal and informal, including the home, school, work and in voluntary, community and other organisational settings. All organisations providing services for children, young people and vulnerable adults, including the Borough Council, have a role to play in safeguarding the health and welfare of those people in their care. The authority is a member of both the Warwickshire Safeguarding Adults Board and the county-wide Safeguarding Children Board. It takes its safeguarding responsibilities seriously and, as awareness of the risks to vulnerable people grows, the extent of this commitment will also increase.

## 9 **The Council’s Financial Position**

- 9.1 Local authority finance has moved from a reliance on government grant to one where finance is linked to growth, either through new housing development which attracts new homes bonus and additional Council Tax, or growth in the business rates base, some of which can be retained by the Council. Authorities that are unable to grow are at risk of becoming financially unsustainable.
- 9.2 Local authority funding is being reviewed. An update of relative spending needs for authorities is being worked on and this, together with a move to 75% retention of business rates by local government, is likely to be implemented from 2020/21. This move will not produce more income for services for authorities as additional responsibilities will be transferred to local government and a number of grants will cease to be paid. However, it will further increase the reliance on growth for individual authorities’ funding. In addition, money has been taken from New Homes Bonus, therefore, funding from this source will reduce and the methodology for its distribution is subject to review.
- 9.3 The amount of general funding the Council receives from Government (net of Council Tax Support funding) has fallen by £3.1 million from 2010-11 and now finances only 25% of our net expenditure in 2018-19, as opposed to 55% in 2010-11. At the same time, the Council’s budget has reduced by £1.7m in that period. Decisions to freeze Council Tax have reduced Council Tax income by £725,000. In order to compensate for these losses of income, the Council has made savings of £4.4 million in the seven years to 2018-19 and our net expenditure is now £8.42 million.
- 9.4 The Council’s financial strategy anticipates a further reduction in government funding in 2019/20 of 12.7%, with cash standstills in the following three years and requires further savings of £1.25 million by the end of 2022-23 if financial reserves are to be maintained at acceptable levels. Savings of this magnitude cannot be achieved without impacting on service delivery.

9.5 The main risks to the Council's financial strategy are as follows:-

- The new Government spending needs assessment reduces the Council's base funding level.
- Assumptions about future government funding prove to be too optimistic.
- Successful appeals on business rates means the Council cannot achieve its assumed level of income.
- Further freezes in Council Tax which permanently erode the Council's income base.
- Additional new homes are not delivered at the level assumed in the budget (300 pa) resulting in a reduction in New Homes Bonus and Council Tax receipts.
- The review of New Homes Bonus methodology reduces Council income more than anticipated.
- The necessary level of savings cannot be achieved to timescale.
- The national economy deteriorates, resulting in a fall in income and increased costs falling on the Council.
- Growth in Housing provision increases Council costs.

9.6 If any of these risks materialise, then either savings required will increase substantially or reserves will fall well below the minimum acceptable level of £1.4 million.

9.7 An area that will need to be given greater consideration is the extent to which the funding gap facing the Council can be reduced by looking at commercial opportunities, both in the way that we deliver and charge for existing services and whether there are new opportunities that could be taken forward, either in partnership with other organisations or by setting up an in-house trading vehicle which is an option being used with varying degrees of success by a number of other authorities. Some initial work is already underway but, if the Council wants to look at this seriously, it will have to make resources/capacity available to make this happen.

## 10 **Human Resources**

10.1 Whilst this has been mentioned in various sections, particularly section 7.3, it is important that we look after our workforce and ensure that North Warwickshire is seen as an attractive place to work. Maintaining our focus on wellbeing will be important going forward.

10.2 Through its Human Resources Strategy, the Council has worked hard to do this in challenging economic times and, as a result, our workforce has stepped up to the mark. This has been done despite reducing the staffing numbers over a long period and against a backdrop of reducing financial resources. In this environment, service standards have been maintained and the Council in staff surveys is seen as a good employer with morale levels largely being maintained.

## 11 **Conclusion**

11.1 It is hoped that this report has given Members sufficient information on external factors affecting the Council, internal issues which they may wish to take account of, including challenges facing individual services, and the requirements and aspirations of stakeholders.

11.2 In addition, when considering options for reviewing existing and determining future priorities, Members need to be aware of the resources available and or potentially available to them. That information is also outlined in the report so, hopefully, this provides enough of a framework to enable further discussion and planning to take place in preparation for the next few years.

11.3 Finally, as part of the future thinking, Members are proposing to look at Governance Models early in the post-Election period. Any changes will clearly need to take account of the priorities being set to meet existing challenges and set in a way to maximise the Council's ability to deliver them.

## 12 **Report Implications**

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

12.1.2 Any new financial implications will be reported as part of the Budget and Corporate Planning processes.

### 12.2 **Risk Management Implications**

12.2.1 These will be identified as proposals for 2018/19 are developed.

12.2.2 The key issue in this report however is to note the importance of matching the Council's obligations and ambitions with the resources available to it.

12.3 **Equalities Implications**

12.3.1 In making major strategic policy and financial decisions, it will be necessary to consider whether an Equality Impact Needs Assessment needs to be carried out.

12.4 **Links to Council's Priorities**

12.4.1 These are referred to in the report.

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

**Background Papers**

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

Background Paper No	Author	Nature of Background Paper	Date
None			

## **Agenda Item No 8**

### **Executive Board**

**19 November 2018**

#### **Report of the Corporate Director - Community**

#### **Council Tax Support Scheme 2019/20**

### **1 Summary**

- 1.1 This report outlines the recommended Council Tax Support (CTS) Scheme for 2019/20.

#### **Recommendation to the Council**

- a To approve the retention of a 91.5% reduction maximum Council Tax Support Scheme for all current working age customers, in 2019/20, and**
- b To approve that the Council Tax Support Scheme adopted in 2019/20 be updated in line with the statutory increases as notified by the Department of Work and Pensions.**

- 1.2 For the reasons outlined in this report, no changes are proposed, meaning the Council will not be required to undertake any consultation with affected customers in this current financial year.

### **3 Background to this Report**

- 3.1 Before the Council implemented its 2013/14 Council Tax Support Scheme which replaced the previous Nationally funded Council Tax Benefit (CTB) Scheme, an extensive consultation was carried out which consulted on a number of options surrounding reducing the support given to working age claimants by up to 20%. Following this exercise, the actual scheme eventually implemented for 2013/14 passed on a reduction in support of 8.5% assisted by the payment of a transitional grant agreed by the Government paid for a one year period only.

- 3.2 Following the successful implementation of these changes which have remained unchanged since that date, the impact on customers affected since 2013/14 has been monitored. In summary, this resulted in the initial anticipated impact of the changes being experienced in terms of increased recovery action needed to collect Council Tax due. This impact was that whilst there was initial falls in year collection levels on 2012/13 of 98.2% initially by 0.5% in 2013/14 and then 0.2% in 2014/15 on previous levels, the actual collection rate achieved from 2015/16 onwards has recovered and in 2017/18 the Council recorded its best ever performance ever at 98.6%. This excellent

performance continues to date in 2018/19 with these increased levels of performance being achieved despite taking less recovery action. These performance improvements are bucking National trends and officers are confident that the decision of the Council to adopt one of the best 25% CTS schemes in the country as well as the good employment opportunities in the area is making a significant contribution to the Council being able to achieve the 55<sup>th</sup> best collection rate in the country in spite its deprivation indices. This is because there is a clear correlation between those Councils who have passed on the biggest CTS reductions who have experienced the biggest impacts in Council Tax collection rates.

- 3.3 These headline collection figures are very pleasing and an indication that the positive and supportive approach taken by the Council to encourage engagement and awareness of wider financial inclusion messages at every stage to encourage customers to avoid recovery action is working in an ever increasing number of cases. However, in spite of this approach, it was still necessary to obtain a liability order at the Magistrates Court against 1692 households, which although a fall of 200 court actions on 2016/17 levels meant that it was still necessary to take enforcement action against 25% of households in the borough where the payer does not pay by direct debit).
- 3.4 It should also be noted that whilst the Council achieves an “in year” collection rate of over 98.7% for non-CTS affected customers, the impact on those affected by the CTS changes resulted in an “in year” collection rate of just over 84% in 2017/18 for these cases. This is not surprising as it indicates that those on the lowest incomes are finding it harder to make timely payments in the current climate despite the Councils very supportive CTS scheme. Trends also indicate that this small but hard core of cases are taking evermore time by officers to assist and support in addressing increasingly complex financial difficulties who are being impacted by a number of changes in the current welfare system.
- 3.5 Another important local factor is that a significant number of those working age customers in receipt of CTS receive benefits indicating a limited or inability to work. This means that despite the high availability of jobs in the area, many reliant on CTS are unable to take advantage of these opportunities easily. As a result, whilst it is encouraging that the numbers needing support to pay their Council Tax either via CTS or CTB is falling, this is wholly due to customers of pensionable age who are not directly impacted by any of the welfare changes introduced needing less financial support because of having higher incomes in retirement whilst the working age customers levels have largely remained level over the last 5 years
- 3.6 With this information in mind and in reviewing the 2019/20 scheme, the Government continues to make further changes to the welfare system, most notably Universal Credit that went fully live in the Borough in September 2018. This is the biggest welfare change to date and has received significant media coverage following its introduction Nationally in terms of its likely impact which at this stage remain “unknown” on current customers reliant on CTS locally. However, evidence from our shared service partner, Nuneaton & Bedworth

Borough Council who went fully live with Universal Credit in October 2017 as well as Nationally suggests the financial challenges facing customers to meet all their obligations will increase.

- 3.7 As such, it is anticipated that with the impact on collection rates in respect of both rent and council tax is likely to become more ever challenging in 2019/20 and mean that making a decision to provide less Council Tax support onto these customers in 2019/20 would not be recommended. For the reasons expanded on in the Finance and Value for Money implications below.
- 3.8 In the circumstances, it is therefore proposed that the scheme adopted for 2019/20 remains unchanged at an 8.5% reduction on previous levels of Council Tax Benefit awarded in 2012/13. It is only proposed to amend the scheme to reflect the uprating of benefits in line with the statutory increases proposed annually by the Department of Work and Pensions which is based on National Uprating data in September. For working age benefit recipients this is likely to mean see income levels received remain at 2014/15 levels.
- 3.9 In making this recommendation, it should be noted that officers have already started to put in place arrangements to undertake a comprehensive review of the current CTS scheme with the other Warwickshire District Councils that will seek to design a simplified countywide scheme. This major piece of work is deemed necessary because of the impact and different rules relating to Universal Credit as well as the ongoing reduced financial support being received in grant to cover administration costs of running local schemes currently provided by the Department of Works and Pensions .
- 3.10 It is expected that the outcomes from this work will be concluded in the summer of 2019 for Members to review and if changes are deemed necessary to allow wider consultation with all affected parties to be undertaken before making any change to CTS scheme in time for the 2020/21 financial year

## 4 Report Implications

### 4.1 Finance and Value for Money Implications

- 4.1.1 The expected net expenditure of the scheme for 2018/19, assuming the retention of an 8.5% reduction in Council Tax Support to all working age customers and similar collection rates to 2017/18, will cost this Council around £169,390 in the financial year.
- 4.1.2 If the Council were to change the scheme to build in a larger reduction in Council Tax Support, to either a 15% or 20% reduction as in the other Warwickshire Councils on which original consultation was undertaken in 2012, the financial impact of such changes are shown below:

<b>Scheme</b>	<b>Cost to the Council</b>	<b>Variance to 8.5% scheme</b>
15% reduction	157,470	-11,920
20% reduction	148,300	-21,090

These figures assume that there would be no extra staffing or administration costs incurred and are based on assumptions on a reduced collection rate as experienced by other Councils locally and nationally who have introduced less supportive schemes.

- 4.1.3 In learning from the experiences of Councils who have passed on larger cuts in Council Tax Support, the majority have also highlighted that the impact has meant needing to employ additional resource to deal with increased customer contact and recovery as well as issue significantly more recovery notices.
- 4.1.4 In the circumstances, if the Council needed to employ an additional part time officer (0.5 FTE) to assist in dealing with the expected increase in work generated, the cost of this resource would be circa £15,000. This administration cost would have to be met fully by the Council despite retaining only around 13% of the additional revenue and therefore would potentially exceed any saving expected from increasing the reduction to Council Tax Support.

## **4.2 Human Resources Implications**

- 4.2.1 Reducing the Council Tax Support Scheme for working age claimants from 2012/13 levels has put greater pressure on staff administering the scheme. However, the proposed recommendation not to increase reductions further should ensure it will have minimal additional impact on the workload of these staff during 2019/20. This will be particularly beneficial in the next 12 months as Council staff will also be impacted by the roll out of supporting customers impacted by the roll out of Universal Credit as well as getting used to operating on a new Revenues and Benefits system currently being implemented .

## **4.3 Risk Management Implications**

- 4.3.1 The key financial risk to the Council and Major Preceptors is an increase in benefits caseload in future years, from both working age claimants and pensioners. Fortunately, and for the reasons as stated in paragraph 3.5, since the Council Tax Support Scheme was introduced in April 2013, this risk has not been realised and the caseload has in fact reduced.

## **4.4 Equalities Implications**

- 4.4.1 Any reduction in Council Tax Support will impact across the whole of the working age caseload, but not disproportionately on different groups within it.

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

## **Agenda Item No 9**

### **Executive Board**

**19 November 2018**

#### **Report of the Corporate Director - Environment**

#### **Constitution Task and Finish Group and Constitution Changes**

### **1 Summary**

- 1.1 This report advises Members of changes to the Constitution suggested by the Task and Finish Group

#### **Recommendation to the Council**

**That changes to the Constitution highlighted in the report be agreed.**

### **2 Report**

- ...
- 2.1 Members will be aware that there is a Members Task and Finish Group, which has now met on two occasions. The notes of those meetings are attached to this report.
- 2.2 The Group suggested a number of changes to the Constitution which are detailed in those notes. For ease of reference these are set out below:
- a) Standing Order 13 - those listed in Standing Order No 13(1) as being able to call extraordinary meetings be expanded to include the Chief Executive and the Chairman of a Board, that the date and time of these meetings be determined by the Mayor and Board Chairman, in consultation with the Leader of the Opposition, and that questions from the public be permitted at extraordinary meetings, relating to the matters on the agenda.
  - b) Standing Order 23 - if a by election results in the election of a Member from the same party as the former Member (whose resignation caused the by election) then in this eventuality the new Member would take the former Member's seats on Boards
  - c) Standing Order 30 – that minority reports are not allowed for decisions of the Planning and Development Board on planning applications, or decisions of the Licensing Committee and Hearing Panels on licensing applications.

2.3 For the avoidance of doubt these are the only changes being taken forward from the discussions of the Task and Finish Group.

2.4 In addition, Members will note the discussion about trying to ensure a smoother budget process. The resolution of the Group was as follows:

It was agreed instead to try to have a meeting of Leaders and Deputy Leaders a week or two before the Council meeting to exchange, on a confidential basis, the respective proposals and to try to establish such common ground as there was. It was agreed that this would be considered by each Group.

2.5 Members are asked to approve this, following which the meeting will be arranged.

The Contact Officer for this report is Steve Maxey (719438).

**Notes of the Constitution Task and Finish Group**

**Monday 23 April 2018 – 6.30pm**

Present: Councillors Davis, Moss, Symonds and D Wright

In Attendance: Steve Maxey and David Harris

An apology for absence was received from Councillor Morson

1 **The Constitution**

Steve Maxey gave a short presentation on the content and layout of the Constitution. He advised the Group that a number of textual updates were required, for example following the recent retirement of the Deputy Chief Executive (Chris Brewer) and other staff changes. These would form part of the next update report to Executive Board/Full Council in June.

2 **Extraordinary Meetings of the Council – Standing Order No 13**

There was a general discussion around who could call an extraordinary meeting, the timing of those meetings and whether or not public questions should be permitted at those meetings. It was agreed to recommend to Executive Board/Full Council that

- a) **That those listed in Standing Order No 13(1) be expanded to include the Chief Executive and the Chairman of a Board;**
- b) **That the date and time of these meetings be determined by the Mayor and Board Chairman, in consultation with the Leader of the Opposition; and**
- c) **That public questions be permitted at extraordinary meetings provided the questions relate to the specified business being considered.**

3 **Adoption of Minutes - Standing Order No 8 and Voting at Council Meetings – Standing Order No 11**

Particularly with regard to recommendations contained within the Executive Board minutes, the issue was raised regarding the ability to be able to record an objection to an individual minute (as opposed to registering this objection by voting against adoption of the minutes). The Group, having discussed the issue, felt that the current procedure through the proposal of an amendment gives opportunity for an objection/alternative approach to be considered and voted upon. It was agreed to recommend to Executive Board/Full Council that

**That no further action be taken on this issue.**

**4 Motions Generally – Standing Order No 14**

Often at Council meetings amendments are proposed to recommendations which can then result in a request for an adjournment to enable consideration. The Group felt that it would lead to better decision making if proposed amendments were submitted in advance of the meeting – eg by 9.30am two working days prior to the meeting. This would enable Members to consider amendments in a timely and measured way. It was agreed to recommend to Executive Board/Full Council that

**That at Full Council meetings proposed amendments to recommendations are submitted to the Chief Executive in advance of the meeting – eg by 9.30am two working days prior to the meeting.**

**5 Minority Report – Standing Order No 30**

The Group raised the issue of amending standing orders so that this does not apply in respect of planning and licensing applications. The Group felt that consideration and the decisions were best left to the relevant Board where Members would have had training, possibly attended site visits and gained experience over time of planning and licensing policy. The Constitution also permits any Member to attend a Board and with the permission of the Chairman speak. It was agreed to recommend to Executive Board/Full Council that

**That Standing Order No 30 (5) be amended to remove decisions in respect of planning and licensing applications.**

**6 Meetings – Standing Order No 24**

The start time for meetings was raised. It was felt that more people may be attracted to the role of a Councillor and stand as a Candidate if meetings started slightly later in the evening. With this in mind it was suggested that Resources Board pilot a 7pm start for time for meetings and reviewed prior to the 2019/20 municipal year.

The frequency and length of Planning and Development Board meetings was also discussed. It was agreed to recommend to Executive Board/Full Council that

- a) That Resources Board pilots a 7pm start time for future meetings and this is reviewed prior to the 2019/20 municipal year; and**
- b) That the frequency of Planning and Development Board meetings be considered in November this year during the setting of the 2019/20 Calendar of Meetings.**

7 **Other Points**

- a) **That version control data be included in the footer of all future issues of the Constitution;**
- b) **That Standing Order No 20 – Interventions is circulated to the Mayor and all other Members highlighting the information contained therein relating to Points of Order and Personal Explanation;**

8 **Models of Governance**

It was agreed that an overview of different governance models and their pros and cons would be submitted to a future meeting of the Task and Finish Group.

The meeting closed at 8.10pm

**Notes of the Constitution Task and Finish Group**

**Monday 24 September 2018 – 6.30pm**

Present: Councillors Morson, Phillips, Symonds and D Wright

In Attendance: Councillor D Humphreys and Steve Maxey

An apology for absence was received from Councillor Davis

1 **Review of discussion at last meeting and notes of 23<sup>rd</sup> April**

The notes of the last meeting were agreed as a true record. It was noted that the work of the Group was discursive and that a review of the previous position would be helpful.

In particular it was felt that the suggested changes to Standing Order 14 were not optimal and were perhaps more than was needed to address the main issue, which was agreeing a protocol for the budget meeting. This would be discussed elsewhere on the agenda.

There was a further discussion regarding minority reports and the majority view of the Group was that the previous suggestion to remove that facility with regard to Planning and Licensing decisions would stand.

All the other suggestions would continue.

There was a discussion with regard to training which would be picked up at the start of the next Council.

2 **Notice for budget proposals**

As noted above, there was a general desire to reduce the number of adjournments at meetings to consider the budget based on late proposals/amendments.

A number of options in place at other authorities, for example Worcestershire and Suffolk, were discussed which would lead to the Administration proposing a budget and then the Opposition being able to submit amendments a number of days before a meeting.

It was agreed instead to try to have a meeting of Leaders and Deputy Leaders a week or two before the Council meeting to exchange, on a confidential basis, the respective proposals and to try to establish such common ground as there was. It was agreed that this would be considered by each Group.

3 **Casual vacancies**

Standing Order 23 provides that the filling of casual vacancies from a Board, Committee etc arising from a resignation is a matter reserved to full Council. As a result, if a by election results in the election of a Member from the same party as the former Member (whose resignation caused the by election) then there can be a delay in the new Member taking up a seat on a Board. It was agreed to amend Standing Order 23 to provide that in this eventuality the new Member would take the former Member's seats on Boards.

If the by election resulted in a new Member from a different party then resulting appointments would be a matter for full Council, as it would be likely that the distribution of seats generally would be affected.

4 **Alternative Governance Models**

There was a general discussion on the relative merits of alternative governance models. It was agreed however to discuss this again early in the next Council.

5 **Any other business**

a. There was a discussion about a number of Members with long service who may not stand again at the next election, and how best to commemorate this. There was a discussion regarding Aldermen, Freedom of the Borough and long service medals. It was agreed to consider this in Groups and discuss again before the election.

b. Date of next meeting – it was agreed no further meetings were needed this year, but that this be considered in January.

The meeting closed at 7.45pm

## **Agenda Item No 10**

### **Executive Board**

**19 November 2018**

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

#### **Calendar of Meetings 2019/20**

### **1 Summary**

1.1 The purpose of this report is to approve a calendar of meetings for 2019/20.

#### **Recommendation to the Council**

**That the draft calendar of meetings for 2019/20 as submitted at Appendix A to the Chief Executive's report be approved.**

### **2 Report**

- ...
- 2.1 A draft calendar of meetings for 2019/20 is submitted as Appendix A.
- 2.2 As with the current calendar of meetings the May Full Council meeting will be a ceremonial meeting with Mayor making and the appointment of Boards as the main business.
- 2.3 Other points to note on the calendar are as follows:-
- a The majority of all main Board meetings will meet on a Monday. Meetings of the Full Council continue to be held on Wednesdays;
  - b Planning and Development Board to meet once each month;
  - c The Resources Board, the Community and Environment Board and the Executive Board to meet at least once a cycle;
  - d A meeting of the Special Sub-Group has been scheduled each month (2019);
  - e A meeting of the Licensing Committee has been set for the end of January and additional meetings will be arranged on an ad hoc basis;
  - f A number of meetings of the Safer Communities Sub-Committee have been set and the Local Development Framework Sub-Committee will be arranged on an ad-hoc basis; and
  - g A meeting of the Executive Board and Full Council is scheduled at the end of July 2019. It is needed to consider the audited accounts before the end of July and is an annual requirement.

**3 Report Implications**

3.1 There are no report implications.

The Contact Officer for this report is David Harris (719222).

**Background Papers**

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

<b>Background Paper No</b>	<b>Author</b>	<b>Nature of Background Paper</b>	<b>Date</b>
None			

**NORTH WARWICKSHIRE BOROUGH COUNCIL  
DRAFT MEETINGS TIMETABLE – 2019/20**

	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
1			SAC						BHOL					RES
2	ELECTIONS				PLAN						PLAN			
3		RES			RES					PLAN	SSG			
4							PLAN	COUNCIL					BHOL	
5				PLAN			SSG							
6	BHOL											PLAN	COUNCIL	
7						PLAN						SSG		
8			PLAN			SSG								PLAN
9			SSG					PLAN			CEB			SSG
10		PLAN			SSG			SSG		EXB		BHOL		
11							RES			SSG			PLAN	
12													SSG	
13				SSG					PLAN			BHOL		
14						CEB			SSG					
15	COUNCIL													EXB
16					EXB						SAC			
17		EXB												
18		SSG					SAC						CEB	
19										COUNCIL				
20	PLAN								CEB					
21	CEB													
22														
23											RES			
24			EXB/COUNCIL											COUNCIL
25					COUNCIL		EXB	BHOL					BHOL	
26		COUNCIL		BHOL				BHOL						
27	BHOL								RES					
28									LIC					
29			CEB											
30														
31														

EXB - Executive Board  
RES - Resources Board  
CEB - Community and Environment Board  
PLAN - Planning and Development Board

LIC - Licensing Committee  
SAC - Safer Communities Sub-Committee  
SSG - Special Sub-Group  
LDF - Local Development Framework Sub-Committee

## Agenda Item 11

### Executive Board

19 November 2018

#### Report of the Corporate Director - Resources

#### Budgetary Control Report 2018/19 Period Ended 31 October 2018

### 1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2018 to 31 October 2018. The 2018/2019 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

#### **Recommendation to Council**

**To consider if any further information is required.**

### 2 Introduction

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

### 3 Overall Position

- 3.1 Net expenditure for those services that report to the Executive Board as at 31 October 2018 is £453,753 compared with a profiled budgetary position of £453,278; an over spend of £475. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

- 3.2 Where possible, the budget to date figure has been calculated with some allowance for seasonal variations, in order to enable a better comparison with actual figures.

### 4 Risks to the Budget

- 4.1 The key risk to the budgetary position of the Council from services under the control of this Board is that the Emergency Planning budget of £5,850 may be insufficient to cover the costs of any major local emergency.

...

## **5 Estimated Out-turn**

- 5.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. The anticipated out-turn for this Board for 2018/19 is £615,630, the same as the Original Budget.
- 5.2 The figures provided above are based on information available at this time of the year and are the best available estimates for this board, and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

## **6 Report Implications**

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

- 6.1.1 Income and Expenditure will continue to be closely managed and any issues that arise will be reported to this Board for comment.

### **6.2 Environment and Sustainability Implications**

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

The Contact Officer for this report is Nadeem Afzal (719444).

## North Warwickshire Borough Council

## Executive Board

## Budgetary Control Report 2018/2019 as at 31 October 2018

Description	Approved Budget 2018/2019	Profiled Budget October 2018	Actual October 2018	Variance	Comments
	£	£	£	£	
Housing Strategic Service Review	33,590	19,594	19,594	(0)	
Outreach and Access to Services	138,770	86,363	85,904	(458)	
Corporate Communications	66,860	43,360	43,506	146	
Community Strategy	125,740	84,376	84,096	(280)	
Emergency Planning	41,830	21,134	21,346	212	
N.Warks Local Development Framework	206,270	196,952	197,808	856	
Support to Parishes	2,570	1,499	1,499	-	
<b>Total Expenditure</b>	<b>615,630</b>	<b>453,278</b>	<b>453,753</b>	<b>475</b>	

## Agenda Item No 12

Executive Board

19 November 2018

### Report of the Chief Executive

### Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - September 2018

#### 1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to September 2018.

#### **Recommendation to Council**

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

#### 2 Consultation

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

#### 3 Background

- 3.1 This report shows the second quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2018/19. This is the second report showing the progress achieved so far during 2018/19.

#### 4 Progress achieved during 2018/19

- 4.1 Attached at Appendices A and B are reports outlining the progress achieved for all the Corporate Plan targets and the performance with the national and local performance indicators during April to September 2018/19 for the Executive Board.

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

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

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

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

## 5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2018/19 year.

## 6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 40% of the State of Borough Indicators performance indicator targets and 33.3% of the Council Indicators are currently on schedule to be achieved. The report shows the individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

### Corporate Plan

Status	Number	Percentage
Green	11	100%
Amber	0	0%
Red	0	0%
Total	11	100%

### Performance Indicators

#### State of the Borough Indicators

Status	Number	Percentage
Green	2	40%
Amber	3	60%
Red	0	0%
Total	5	100%

#### Council Performance Indicators

Status	Number	Percentage
Green	1	33.3%
Amber	1	33.3%
Red	1	33.3%
Total	3	100%

## 7 **Summary**

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

## 8 **Report Implications**

### 8.1 **Safer Communities Implications**

8.1.1 The community safety performance indicators are included in the report.

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

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

### 8.3 **Environment and Sustainability Implications**

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of targets and indicators included which contribute towards the priorities of the sustainable community strategy including financial inclusion, core strategy, community safety and affordable housing,

### 8.4 **Risk Management Implications**

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

### 8.5 **Equality Implications**

8.5.1 There are a number of contributions towards equality related targets and indicators including, informing customers about opportunities to influence decision making, customer access, consultation, domestic abuse and financial inclusion highlighted in the report.

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

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

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

## Background Papers

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

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

## Executive Board 18/19

	Action	Priority	Reporting Officer	Quarter 1	Quarter 2	Status	Direction
17	To progress the Local Plan through Inquiry towards adoption by October 2018	Protecting our Countryside & Heritage	Dorothy Barratt	The Local Plan was submitted to Government in March 2018. Progress is out of the Borough Council's control. The Local Plan is now at examination being led by an independent Inspector. The first set of hearing dates is 25th, 26th and 27th September. Adoption is now expected in early 2019.	First hearings for the examination process have taken place. Awaiting interim response from Inspector as to progression of the Local Plan.	 Green	
18	Whilst continuing to oppose a) the route of HS2 Phase 2b in principle, to press for maximum mitigation and benefits for the Borough, required as a consequence of the HS2 proposal, in partnership with other affected Councils and community action groups and; b) To continue to oppose the principle of Opencast Mining and Mineral Extraction	Protecting our Countryside & Heritage	Dorothy Barratt	Work is progressing with the Draft Environmental Statement for Phase 2B expected in the Autumn.	Work is progressing with the Draft Environmental Statement for Phase 2B expected in late 2018.	 Green	
19	To ensure that the Council is prepared for emergencies and has suitable emergency and business continuity plans, as required by the Civil Contingencies Act, and to review both the emergency and business continuity plans annually in March	Creating Safer Communities	Robert Beggs	A Recovery workshop has been arranged by the Warwickshire Local Resilience Forum to consider how the recovery plan will work across multi agencies. More work on preparing recovery responses will take place. Discussions are taking place with the CSWR team about their potential support our local resilience plans.	A WLRP recovery working group has been set up. This group will oversee progress with improving the recovery plans for Warwickshire and for individual agencies. Discussions are taking place with the CSWR team about their potential support our local resilience plans. A refresh of our business continuity plans is being requested via each division. A number of staffing changes need to be refreshed for the plans.	 Green	
20	To achieve the savings required by the Budget Strategy including the commitment to keep Council Tax as low as possible and to update the Strategy to reflect future developments by September 2018	Responsible Financial & Resource Management	Sue Garner	Work on identifying savings for 2019/20 is progressing. Work to update the financial strategy will commence shortly.	Work on identifying savings for 2019/20 is progressing. The financial strategy was updated and reported to Executive Board in September.	 Green	
21	To report on the Council's debt and reserves and the Council's capital funding gap by February 2019	Responsible Financial & Resource Management	Sue Garner	Some initial work has commenced.	Some initial work has commenced.	 Green	
22	To update the Medium Term Financial Strategy in September 2018 and February 2019, to take account of external funding changes relating to Business Rates	Responsible Financial & Resource Management	Sue Garner	Work to update the financial strategy will commence shortly.	The financial strategy was updated and reported to Executive Board in September.	 Green	
23	To continue to work with partner organisations in the Coventry, Warwickshire and Hinckley Joint Committee and to consider further options for joint work in the light of Central Government proposals for greater devolution, if this proves beneficial to the local economy	Supporting Employment & Business	Steve Maxey	The main focus of this work continues to be the West Midlands Combined Authority. The Leaders of the Council has recently been appointed to the Strategic Economic Plan Board. A Coventry/Warwickshire/South Leicestershire Joint Committee meeting is likely later in the year in order to take forward our coordinated approach to strategic planning issues	The main focus of this work continues to be the West Midlands Combined Authority. The Leader of the Council has recently been appointed to the Strategic Economic Plan Board and we continue to discuss a number of projects with the WMCA. A Coventry/Warwickshire/South Leicestershire Joint Committee meeting has been arranged for 30th November to take forward our coordinated approach to strategic planning issues	 Green	
24	To continue to work with Warwickshire County Council, the Environment Agency and local communities to mitigate the effects of, and protect against, the impacts of localised flooding and to update as part of the quarterly performance reports	Creating Safer Communities	Richard Dobbs/Steve Maxey	Local flood prevention work continues with input provided to specific schemes such as Fillongley and also practical support to communities and parish councils in areas prone to flooding.	Local flood prevention work continues with input provided to specific schemes (most recently in Polesworth) and also practical support to communities and parish councils in areas prone to flooding.	 Green	

## Executive Board 18/19

	Action	Priority	Reporting Officer	Quarter 1	Quarter 2	Status	Direction
25	To ensure we communicate effectively to help inform residents, businesses and all sections of our communities of the Council's services and priorities and made clear the opportunities for them to be involved in decision making via consultation. To take into account the LGA Communications Health-Check and the commitments in the Council's Customer Access Strategy in all aspects of work in this area and to report on progress by May 2018	Promoting Sustainable & Vibrant Communities	Linda Bird/Steve Maxey/Bob Trahern	Work to take account of the LGA Communications Health Check has progressed well and will be complete at the end of July when the new Corporate Communication Post is filled and an initial Communications Framework has been produced. We continue to get strategic communications support from WCC and work has started to review consultation. A report will now be brought to Board in November.	Actions arising from the LGA Communications Health Check have been completed and a Corporate Communication Officer is in post and an initial Communications Framework has been produced by WCC. We continue to get strategic communications support from WCC and work has started to review consultation.	★ Green	➡
26	To implement, and then maintain, any changes required by the General Data Protection Regulations by May 2018	Responsible Financial & Resource Management	Steve Maxey	An Officer working group has been working for many months and the following outcomes have been achieved: each division has a register of its sources of data, basis for collecting it and control arrangements; updated corporate policies and reporting arrangements; e-training for Officers and Members (further training to be offered to Members). Work continues on issues such as CCTV and specific issues within Division.	An Officer working group has been working for many months and the following outcomes have been achieved: each division has a register of its sources of data, basis for collecting it and control arrangements; updated corporate policies and reporting arrangements; e-training for Officers and Members (further training is being looked into for Members). Work continues on issues such as CCTV and specific issues within Division.	★ Green	➡
27	To develop a North Warwickshire Transport Strategy, together with Warwickshire County Council, by March 2019	Supporting Employment & Business	Steve Maxey	Work continues, principally on the A5 bid to the Housing and Infrastructure Fund.	The first meeting of the North Warwickshire Transport Strategy Project Board met on 15th October to consider a draft 'Issues and Opportunities' scoping document. A further draft will be issued following comments and the next meeting will take place in early December. A report will be taken to the Executive Board to advise Members. In addition, work continues on the A5 HIF bid	★ Green	➡

NWPI Executive Board 18/19

Ref	Description	Section	Priority	Year End Target 2018/19	Outturn 2017/18	April - Sept Performance	Traffic Light	Direction of Travel	Comments
<b>Council Performance Indicators</b>									
NWLPI 158	To respond to all complaints and requests for service within three working days	Env Health (C, L & HP)	Public Services and Council Tax	99	98	87			The shortfall has been caused by staff shortage in the Pollution Team over a long period. The team is now fully staffed and performance is good but the final out turn will be below standard due to this period of staff shortage.
NWLPI 162	Percentage of Freedom of Information replies dealt with within 20 days	Policy Support	Public Services & Council Tax	100	96%	98%			436 Freedom of Information requests received, 427 completed within 20 days, 5 over 20 days, 2 requests not replied and 2 outstanding
New	The number of LG & Housing Ombudsman complaints determined as maladministration	Policy Support	Public Services & Council Tax	0	0	0			The Local Government & Social Care Ombudsman is currently investigating one complaint regarding a planning and environmental health related complaint. Information requested by the Ombudsman is being collated.
<b>State of the Borough Indicators</b>									
NWLPI 153	Number of residential burglaries in the Local Authority area	Policy Support	Crime and Disorder	270	271	111			Slight increase in quarter 2 . Analysis prepared for June to August 2018 shows the wards of Arley & Whitacre, Fillongley and Water Orton having the highest volumes. Analysis shows 51% of dwellings were secure and 29% insecure. Mosaic data profiles are helping to identify preferred channels of communications for <u>targeting crime prevention messages</u> .
NWLPI 154	Number of violent offences and sexual offences in the local authority area	Policy Support	Crime and Disorder	1416	1417	771			The levels are still increasing in this year. Increases were predicted to continue with the continuing improvements to recording practices and inclusion of additional categories such as harassment via social media. The levels are nearly 9% higher than last year in the same period. This is slightly at odds with the Warwickshire picture overall. Only Rugby and Warwick districts are seeing a decrease currently in this period.

Ref	Description	Section	Priority	Year End Target 2018/19	Outturn 2017/18	April - Sept Performance	Traffic Light	Direction of Travel	Comments
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	602	603	304	 Amber		The levels overall are similar to the 2017/18 year. There are increases in theft of vehicles in the second quarter with thefts from vehicles remaining similar. Some Policing operations are being carried out. Analysis for June to August 2018 shows the wards of Fillongley, Curdworth and Arley & Whitacre having the highest number of offences. Some of the increases are due to emerging trends of lorries and vans being targeted for their contents. Registration plates are also being taken.
@NW:NI032	Violence Against the person with injury Offences related to Domestic Violence	Policy Support	Crime and Disorder	149	150	88	 Amber		The levels are slightly lower in this quarter with the proportion overall being 33% of violence against the person with injury offences. There is some uncertainty about the consistency of lagging of the offences correctly with the use of the new Athena system.
@NW:NI047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	70	71	16	 Green		The figures shown are for April to July 2018 only. The levels are currently 60% lower compared to the same period last year.

## **Agenda Item No 13**

### **Executive Board**

**19 November 2018**

#### **Report of the Corporate Director - Environment**

#### **HS2 Update and Consultation**

### **1 Summary**

- 1.1 This report seeks delegated power to agree the Council's consultation response to the latest HS2 consultations.

#### **Recommendation to the Council**

**That, in consultation with the two Group Spokespersons on HS2, the Corporate Director – Environment be given delegated power to respond to the Environmental Statement and Equality Impact Statement in respect of Phase 2b of HS2.**

### **2 Report**

- 2.1 Members will be aware that on the 11 October, HS2 started a consultation on the Environmental Statement and Equality Impact Statement in respect of Phase 2b of HS2. Phase 2b runs from Lea Marston to Austrey in our area, via Birchmoor and Kingsbury Water Park.
- 2.2 The full consultation can be found at <http://www.hs2.org.uk/building-hs2/building-the-line/phase-2b/>
- 2.3 The Environmental Statement sets out the main environmental impacts of the scheme, and the Equality Impact Statement considers whether HS2 will have a bigger, or different, effect on groups of people because of what are called protected characteristics, such as age, gender and disability.
- 2.4 A number of consultation events have been arranged. The ones in our area have been publicised by the Council. HS2 were asked to do other events but did not agree:

Wilnecote School, Tamworth 10 November, 12 - 5pm

Kingsbury, Community and Youth Centre, Pear Tree Avenue, 12 November, 2 - 8pm

Polesworth, Memorial Hall, Bridge Street 24 November 12 – 5pm.

- 2.5 The consultation runs until the 21 December and officers are currently considering the reports, in conjunction with officers from the County Council with a view to at least an aligned (and possibly joint) consultation response. Officers meet with representatives from communities on the route of the proposed line and will therefore have the opportunity to take their views into consideration.
- 2.6 Given the consultation dates it is suggested that delegated power be given to officers to finalise the response, in consultation with the two Group Spokespersons on HS2, Councillors Reilly and Phillips.

The Contact Officer for this report is Steve Maxey (719438).

**Agenda Item No 14**

**Executive Board**

**19 November 2018**

**Report of the  
Corporate Director - Environment**

**Gifts and Hospitality Policy**

**1 Summary**

1.1 This report asks Members to approve a new Gifts and Hospitality Policy.

**Recommendation to the Council**

**That the Gifts and Hospitality Policy attached to this report be adopted.**

**2 Report**

2.1 Members may be aware of a recent case from another Council in which the gifts and hospitality of a senior Member has become the subject of public interest.

2.2 Coincidentally, this Council has recently carried out an internal audit into the registration of gifts and hospitality. The audit was able to record a satisfactory level of assurance and made a number of recommendations, including revising the Gifts and Hospitality Policy for Members.

2.3 As a result, the Gifts and Hospitality Policy has been revised and is attached.

2.4 Members are therefore asked to approve the new Policy for adoption.

2.5 For completeness, the Employee Code of Conduct is also attached to this report. It needs reviewing this month and is substantively unchanged. The Unions have confirmed their agreement and the Board is therefore asked to renew that Policy as well.

The Contact Officer for this report is Steve Maxey (719438).

## Gifts and Hospitality – A Code of Conduct for Councillors

The acceptance of gifts and hospitality by Councillors is not merely an administrative issue. It reflects directly upon the perception of Councillors and of the Authority as acting in the public interest or as acting for the personal advantage of friends or for what personal benefit Councillors themselves can get out of their position.

The law on the acceptance of gifts and hospitality is set out in the Prevention of Corruption Acts and other legislation and guidance. These requirements are then supplemented by the procedures which have been adopted by this Authority to provide a clear set of rules for the protection of both Councillors and the Authority. Acceptance of a gift or hospitality in breach of the Code, or failure to declare receipt of such a gift or hospitality, can lead to disqualification from holding any public office for a period of up to five years. Corrupt acceptance of a gift or hospitality can lead to a heavy fine or up to 7 years' imprisonment.

This Code of Conduct sets out:

- (a) the principles which you should apply whenever you have to decide whether it would be proper to accept any gift or hospitality;
- (b) the procedure for obtaining consent to accept a gift or hospitality, when you consider that it would be proper to accept it; and
- (c) the procedure for declaring any gift or hospitality which you receive and for accounting for any gift to the Authority.

This Code does not apply to the acceptance of any facilities or hospitality which may be provided by you or by this Authority.

### 1. General Principles

**In deciding whether it is proper to accept any gift or hospitality, you should apply the following principles. Even if the gift or hospitality comes within one of the general consents set out below, you should not accept it if to do so would be in breach of one or more of these principles:**

- (a) **Never accept a gift or hospitality as an inducement or reward for anything you do as a Councillor.**

As a Councillor, you must act in the public interest and must not be swayed in the discharge of your duties by the offer or prospect of an offer, of any inducement or reward for discharging those duties in a particular manner.

The Public Bodies (Corrupt Offences) Act 1889 provides that if you accept any gift, loan, fee, reward or advantage whatsoever as an inducement to or reward for doing or forbearing to do anything in respect of any matter or transaction in which the Authority is concerned, you commit a criminal offence carrying a maximum term of imprisonment of 7 years.

Further, the Authority's Code of Conduct for Members provides that you must act in the public interest, serving the Authority and the whole community, rather than acting in the interests of any particular individual or section of the community, and that it is a breach of the Code improperly to confer any advantage or disadvantage on any person, including yourself.

**(b) You should only accept a gift or hospitality if there is a commensurate benefit to the Authority.**

The only proper reason for accepting any gift or hospitality is that there is a commensurate benefit for the Authority which would not have been available but for the acceptance of that gift or hospitality.

Acceptance of hospitality can confer an advantage on the Authority, such as an opportunity to progress the business of the Authority expeditiously through a working lunch, or to canvass the interests of the Authority and its area at a meeting. Acceptance of a gift is less likely to confer such an advantage. But unless the benefit to the Authority is clear, and is commensurate with the value of the gift or hospitality, the presumption must be that the gift or hospitality is purely for your personal benefit.

As set out above, the Authority's Code provides that you must not improperly confer any advantage on anyone, including yourself. Acceptance as a Councillor of a gift or hospitality for your own benefit or advantage, rather than for the benefit of the Authority, would be a breach of the Code.

**(c) Never accept a gift or hospitality if acceptance might be open to misinterpretation.**

The appearance of impropriety can be just as damaging to the Authority and to you as a Councillor as actual impropriety. The Authority's ability to govern rests upon its reputation for acting fairly and in the public interest. You must therefore consider whether the acceptance of the gift or hospitality is capable of being interpreted as a sign that you or the Authority favours any particular person, company or section of the community, or as placing you under any improper obligation to any person or organisation. If there is any possibility that it might be so interpreted, you must either refuse the gift or hospitality or take appropriate steps to ensure that such a misunderstanding cannot arise.

Certain occasions are particularly sensitive, and require the avoidance of any opportunity for such misunderstanding. These include:

- (i) Occasions when the Authority is going through a competitive procurement process, in respect of any indication of favour for a particular tenderer;
- (ii) Determination of planning applications or planning policy, in respect of any person or organisation which stands to gain or lose from the determination;
- (iii) Funding decisions, when the Authority is determining a grant application by any person or organisation.

**(d) Never accept a gift or hospitality which puts you under an improper obligation.**

Recognise that some commercial organisations and private individuals see the provision of gifts and hospitality as a means of buying influence. If you accept a gift or hospitality improperly, it is possible that they may seek to use this fact to persuade you to determine an issue in their favour. Equally, if others know that you have been prepared to accept a gift or hospitality improperly, they may feel that they will no longer be able to secure impartial consideration from the Authority.

**(e) Never solicit a gift or hospitality.**

**2. Consent Regimes**

**(a) General consent provisions**

For clarity, the Authority has agreed that you may accept gifts and hospitality in the following circumstances:

- (i) Civic hospitality provided by another public authority.
- (ii) Modest refreshment in connection with any meeting in the ordinary course of your work, such as tea, coffee, soft drinks and biscuits.
- (iii) Tickets for sporting, cultural and entertainment events which are sponsored by the Authority.
- (iv) Small gifts of low intrinsic value below £25.00, branded with the name of the company or organisation making the gift, such as pens, pencils, mouse pads, calendars and diaries. However, you should take care not to display any such branded items when this might be taken as an indication of favour to a particular supplier or contractor, for example in the course of a procurement exercise.
- (v) A modest alcoholic or soft drink on the occasion of an accidental social meeting, such as a pint of beer from an employee of a contractor or party with whom you have done business on behalf of the Authority if you meet accidentally in a public house, café or bar. In such cases, you should make reasonable efforts to return the offer where this is practicable.
- (vi) A modest working lunch not exceeding £10.00 a head in the course of a meeting in the offices of a party with whom the Authority has an existing business connection where this is required in order to facilitate the conduct of that business. Councillors should not make such arrangements themselves, but request Officers to settle the detailed arrangements, and Officers are under instruction, when arranging any such meeting, to make it clear to the other party that such a lunch must not exceed a value of £10.00 a head.

- (vii) Modest souvenir gifts with a value below £25.00 from another public Authority given on the occasion of a visit by or to the Authority.
- (viii) Hospitality received in the course of an external visit or meeting which has been duly authorised by the Authority. Councillors should not make such arrangements themselves, but request Officers to settle the detailed arrangements, and Officers are under instruction to make it clear that any such hospitality for Councillors and Officers is to be no more than commensurate with the nature of the visit.
- (ix) Other unsolicited gifts, where it is impracticable to return them to the person or organisation making the gift, provided that the Councillor deals with the gift strictly in accordance with the following procedure. The Councillor must, as soon as practicable after the receipt of the gift, pass it to the Mayor's Assistant together with a written statement identifying the information set out in Paragraphs 2(b) below. The Mayor's Assistant will then write to the person or organisation making the gift thanking them on the Councillor's behalf for the gift and informing them that it has been donated to the Mayor's Charity Fund, on whose behalf it will be raffled or otherwise disposed of in due course, the proceeds being devoted to a charitable cause chosen by the Mayor.

**(b) Special consent provisions**

If you wish to accept any gift or hospitality which is in accordance with the General Principles set out in Paragraph 1, but is not within any of the general consents set out in Paragraphs 2(a), you may only do so if you have previously obtained specific consent in accordance with the following procedure.

You must make an application in writing to the Monitoring Officer, setting out:

- (i) the nature and your estimate of the market value of the gift or hospitality;
- (ii) who the invitation or offer has been made by or on behalf of;
- (iii) the connection which you have with the person or organisation making the offer or invitation, such as any work which you have undertaken for the Authority in which they have been involved;
- (iv) any work, permission, concession or facility which you are aware of that the person or organisation making the offer or invitation may seek from the Authority; and
- (v) any special circumstances which lead you to believe that acceptance of the gift or hospitality will not be improper.

You must not accept the gift or hospitality until you have received the appropriate consent.

The Monitoring Officer will enter details of any approval in a register which will be available for public inspection on the occasion of the public inspection of the Authority's accounts for the relevant year. But note that this does not relieve you of the obligation to register the receipt of gifts and hospitality in accordance with paragraph 3, below.

### **3. Reporting**

Where you accept any gift or hospitality which you estimate to have a market value or cost of provision of £25.00 or greater, you must, as soon as possible after receipt of the gift or hospitality, make a declaration in writing to the Monitoring Officer setting out the information set out in Paragraphs 2(b) above. A form for this purpose is attached to this Code, but you can send the same information by any convenient means. The Monitoring Officer will retain a copy of any such declaration in a register which will be available for public inspection until the approval of the Authority's accounts for the year in question.

Even if the value of the gift or hospitality is less than £25.00, if you are concerned that its acceptance might be misinterpreted, and particularly where it comes from a contractor or tenderer, you may make a voluntary declaration in the same manner to ensure that there is nothing secret or underhand about the gift or hospitality.

### **4. Gifts to the Authority**

Gifts to the Authority may take the form of the provision of land, goods or services, either to keep or to test with a view to future acquisition; an offer to carry out works; or the sponsorship of a function which is organised or supported by the Authority.

You should not solicit any such gift on behalf of the Authority except where the Authority has formally identified the opportunity for participation by an external party and how that participation is to be secured, for example the sponsorship of public musical and theatrical performances or developers' contributions under Section 106 Agreements. If you receive such an offer on behalf of this Authority, you must first consider whether it is appropriate for the Authority to accept the offer (in terms of whether the acceptance of the gift might be seen as putting the Authority under any improper obligation, whether there is a real benefit to the Authority which would outweigh any dis-benefits). If you do not have delegated Authority to accept the gift, you should report the offer directly to the Monitoring Officer who has such delegated Authority, together with your recommendation. The Monitoring Officer will then write back to the person or organisation making the offer, to record the acceptance or non-acceptance of the gift, record the gift for audit purposes and ensure that the gift is properly applied for the benefit of the Authority. If you have any concerns about the motives of the person or organisation making the offer, or whether it would be proper for the Authority to accept the gift, you should consult the Monitoring Officer directly.

## 5. Definitions

- (a) "Gift or hospitality" includes:
  - (i) the free gift of any goods or services;
  - (ii) the opportunity to acquire any goods or services at a discount or on terms which are more advantageous than those which are available to the general public;
  - (iii) the opportunity to obtain any goods or services which are not available to the general public; or
  - (iv) the offer of food, drink, accommodation or entertainment, or the opportunity to attend any cultural, sporting or entertainment event.
- (b) References to the "value" or "cost" of any gift or hospitality are references to the higher of:
  - (i) your estimate of the cost to the person or organisation of providing the gift or consideration; or
  - (ii) the open market price which a member of the public would have to pay for the gift or hospitality, if it were made available commercially to the public, less the cash sum of any contribution which you would be required to make toward that price to the person or organisation providing or offering the gift or hospitality.

November 2018

This Policy will be reviewed by the end of November 2021

# **NORTH WARWICKSHIRE BOROUGH COUNCIL**

## **EMPLOYEE CODE OF CONDUCT**

### **1. Introduction**

This Code of Conduct applies to all those individuals who are employed by North Warwickshire Borough Council (“the Council”). It will also be a requirement of any contract for the provision of services to the Council, or on behalf of the Council to members of the public, that those engaged on the provision of the service shall be bound by this Code. Throughout this document the term “employee” shall be construed accordingly.

### **2. General Principles**

The public is entitled to expect high standards of conduct from all employees of the Council. The role of such employees is to serve the Council in providing advice, implementing its policies and delivering services to the people of North Warwickshire. In performing their duties, employees must act with integrity, honesty, impartiality and objectivity.

### **3. Accountability**

Employees work for the Council and serve the whole of the Council. They are accountable to, and owe a duty to, the Council. They must act in accordance with the principles set out in this Code, recognising the duties of all public sector employees to discharge public functions reasonably and according to law.

### **4. Political Neutrality**

Employees, whether or not politically restricted, must follow every lawfully expressed policy of the Council, and must not allow their own personal or political opinions to interfere with their work or the wider work of the Council. Where employees are politically restricted (by reason of the post they hold, the nature of the work they do, or the salary they are paid), they must comply with any statutory restrictions on their political activities, such as those set out in the Local Government and Housing Act 1989.

### **5. Relations with Members, the Public and other Employees**

Mutual respect between employees and members is essential to good local government, and working relations should be kept on a professional basis. This area is covered more fully in the Council’s “Protocol for Member/Officer Relations”.

Employees should deal with the public, members, other employees and contractors, sympathetically, efficiently and without bias.

### **6. Equality and Diversity**

Employees must comply with all the Council’s policies relating to equality and diversity issues, in addition to the requirements of the law.



## **7. Stewardship**

Employees must ensure that they use public funds entrusted to them in a responsible and lawful manner, and must not utilise property, vehicles or other facilities of the authority for personal use unless authorised to do so. Employees must follow the requirements of the Council's Financial Regulations at all times.

## **8. Personal Interests**

Whilst employees' private lives are their own concern, they must not allow their private interests to conflict with their public duty. They must not misuse their official position or information acquired in the course of their employment to further their private interests, or the interests of others. In particular, they must comply with:

- (1) the rules of the Council on the registration and declaration by employees of financial and non-financial interests, which form Appendix A to this Code
- (2) the rule requiring employees to declare any gift or hospitality which is received in the course their employment save for small items of stationary, meals that are ancillary to bona fide meetings or training courses and genuine training courses that are run at a loss. Advice on whether a matter needs declaring can be obtained from the Monitoring Officer.

## **9. Corruption/Bribery**

With regard to paragraphs 7 and 8, particular attention should be made to the Bribery Act 2010 which makes offering or accepting a bribe an offence. Bribery is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

Employees should be aware that bribery is not acceptable at NWBC. An act of bribery (to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything, or showing favour or disfavour to any person in their official capacity) is a criminal offence and is very likely to be considered an act of gross misconduct

## **10. Whistleblowing**

In the event that an employee becomes aware of activities which that employee believes to be illegal, improper, unethical or otherwise inconsistent with this Code, the employee should report the matter, acting in accordance with the employee's rights under the Public Interest Disclosure Act 1998, and with the Council's Confidential Reporting Policy, or any other procedure designed for this purpose.

## **11. Treatment of Information**

The Council regards openness in the dissemination of information and decision making as the norm. However, certain information may be confidential or sensitive and therefore not appropriate for a wide audience. Where confidentiality is necessary to protect the privacy or other rights of individuals or bodies, information should not be released to anyone other than a person who is entitled to receive it, or who needs to have access to it for the proper discharge of their functions. Nothing in this Code can be taken as overriding existing statutory or common law obligations to keep certain information confidential, or to divulge certain information.

## **12. Appointment of Staff**

Employees involved in the recruitment and appointment of staff must ensure that appointments are made on the basis of merit, and in accordance with the Council's Recruitment Policy. In order to avoid any possible accusation of bias, such employees must not be involved in any appointment, or any other decisions relating to discipline, promotion or pay and conditions for any other employee, or prospective employee, to whom they are related, or with whom they have a close personal relationship outside work.

## **13. Breaches of this Code**

Any breach of this Code by an individual employed by the Council will be dealt with under the Council's Disciplinary Procedure. Any breach by an individual employed by a contractor providing services to, or on behalf of, the Council will result in that individual being removed from the contract, unless agreed otherwise between the Council and the contractor. In addition, where breaches may constitute criminal offences, consideration will be given to further investigation and informing the Police.

## **14. Review**

This Code will be reviewed no later than 30 November 2021.

Steven Maxey  
Monitoring Officer

November 2018

## Appendix A

### DECLARATION OF FINANCIAL AND NON-FINANCIAL INTERESTS

1. An employee must declare any financial or non-financial interest of which he is aware that in any way affects or is connected with any business which the Council is conducting. This will include any interest which the employee, a relative or a person with whom the employee has a close association has in matters such as (the following list is illustrative only and should not be regarded as exhaustive):

- Any application to purchase or lease land from the Council, or to procure any service from the Council on any terms different from those on which such services are available to the residents of the Borough generally;
- Shares in, or ownership of, any company which is tendering for, or has, a contract with the Council;
- Interest in any land which is affected (either beneficially or adversely) by any application for planning permission;
- Membership of any club, society, or other organisation which is applying to the Council for any grant, licence, or permission, or requesting the Council to waive or refrain from enforcing any charge or penalty or otherwise taking action against the organisation;
- Any relative applying for employment with the Council.

2. It is the responsibility of the employee to make any such declaration, in writing, to the Monitoring Officer either at the commencement of employment or as soon as the employee becomes aware of such interest. The Monitoring Officer shall maintain a register of all such declarations, which shall be available for inspection by Members and Chief Officers. He shall also inform any other member or officer whom he considers needs to know of the interest for the proper performance of their duties to the Council.

3. In this appendix, the term “relative” means a spouse, partner, parent, parent-in-law, son, daughter, step-son, step-daughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of these people; and “partner” means a member of a couple who live together.

4. In this appendix a person with whom you have a close association is someone that you are in either regular or irregular contact with, over a period of time, who is more than an acquaintance. It is someone a reasonable member of the public might think you would be prepared to favour or disadvantage when discussing a matter that affects them. It may be a friend, a colleague, a business associate or someone whom you know through general social contacts.

**NORTH WARWICKSHIRE BOROUGH COUNCIL**

**MINUTES OF THE SPECIAL SUB-GROUP**

**9 October 2018**

Present: Councillor Hayfield in the Chair

Councillors: D Humphreys, Jenns, Singh, M Stanley and Sweet.

An apology for absence was received from Councillor Chambers (substitute Councillor Sweet).

**7 Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

**8 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.**

**9 Planning Division**

The Corporate Director - Environment reported on proposed revisions to the staffing structure in the Planning Division, including comments from the Planning and Development Board meeting on 8 October.

**Resolved:**

**That the proposed revisions to the staffing structure in the Planning Division be approved.**

Colin Hayfield  
Chairman

**Agenda Item No 16**

**Executive Board**

**19 November 2018**

**Report of the  
Chief Executive**

**Exclusion of the Public and Press**

**Recommendation to the Board**

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

**Agenda Item No 17**

**Senior Management Changes** – Report of the Chief Executive

Paragraph 1 – by reason of the need to consider the staffing implications

**Agenda Item No 18**

**Building Control Service** – Report of the Head of Development Control

Paragraph 6 – by reason of the need to consider the financial information contained within the report

The Contact Officer for this report is David Harris (719222)