

**To: Leader and Members of the Executive Board
(Councillors Humphreys, Chambers, Davey, Farrell, Gosling, Hayfield, Phillips, Simpson, Smith 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.

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 JUNE 2017

The Executive Board will meet in the Committee Room at the Council House, South Street, Atherstone, Warwickshire on Monday 19 June 2017 at 6.30pm

AGENDA

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

4 **Minutes of the meetings of the Board held on 7 February 2017** - 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.

ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

6 **External Audit Plan 2016/17** - Report of the Deputy Chief Executive

Summary

The main purpose of this report is to inform Members of the External Auditors' plan for their work related to the 2016/17 financial year.

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

7 **Capital Programme - 2016/17 Final Position** - Report of the Assistant Director (Finance and Human Resources)

Summary

The purpose of this report is to update Members on the position of the 2016/17 Capital Programme at the end of March 2017.

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

8 **Capital Accounts 2016/17** - Report of the Deputy Chief Executive

Summary

The capital accounts for 2016/17 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

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

9 **Earmarked Reserves 2017/18** - Report of the Deputy Chief Executive

Summary

The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Fund. This report informs Members of the balances on these reserves at 31 March 2017, subject to audit, and updates the proposed use of reserves in 2017/18.

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

10 **Annual Governance Statement 2016/17** - Report of the Deputy Chief Executive

Summary

The Annual Governance Statement sets out the arrangements the Council has put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. These ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and is used economically, efficiently and effectively.

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

11 **Financial Statements 2016/17** - Report of the Deputy Chief Executive

Summary

The Annual Financial Statements have to be signed by the Responsible Financial Officer (RFO) by the end of June 2017. This report highlights the position on the General Fund and Housing Revenue Account, compared with the estimate position previously reported.

The accounts have not yet been audited, and may need some adjustment following the completion of the audit later in the year. The audited Statements will be presented at the September meeting of the Executive Board.

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

12 **100% Business Rates Consultation** - Report of the Deputy Chief Executive

Summary

The Government has indicated its intention to introduce 100% retention of Business Rates in the 2019/20 financial year. However, this may now be delayed as a result of the June election. They have issued a consultation paper on the design of the reformed system comments

were due by 3 May. This report outlines the proposals in the consultation and attaches the response that was sent.

The Contact Officer for this report is Chris Brewer (719259).

13 **Local Authority Trading Company** - Report of the Deputy Chief Executive

Summary

This report requests authority to investigate the establishment of a Local Authority Trading Company (LATC).

The Contact Officer for this report is Chris Brewer (719259).

14 **Payroll System** – Report of the Assistant Director (Finance and Human Resources)

Summary

The Board is asked to approve a supplementary estimate of £5,970 in 2017/18 in connection with the payroll system.

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

15 **Council Tax Resolution – 22 February 2017** – Report of the Chief Executive

Summary

This report is to seek guidance from Members on how they wish to proceed with the resolution from Council to report on growth items listed in the proposed amendment by Labour which forms part of the Council Tax resolution for 2017/18.

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

16 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets – April 2016 to March 2017** – Report of the Chief Executive and the Deputy Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April 2016 to March 2017.

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

17 **Minutes of the meeting of the Safer Communities Sub-Committee held on 14 March 2017** copy herewith to be received and noted.

18 **Minutes of the meetings of the Special Sub-Group held on 14 February, 7 March and 23 May 2017** copies herewith to be received and noted.

19 **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)

20 **Land Issues** - Report of the Assistant Director (Streetscape) and the Assistant Chief Executive & Solicitor to the Council

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

21 **Implementation of the LGA's Communications Health Check Report.** - Report of the Assistant Director (Corporate Services)

The Contact Officer for this report is Linda Bird (719327).

JERRY HUTCHINSON
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE BOARD

7 February 2017

Present: Councillor Humphreys in the Chair

Councillors Chambers, Farrell, Hayfield, Reilly, Simpson, M Stanley, Smith, Sweet and D Wright

An apology for absence was received from Councillor Phillips (Substitute Councillor Sweet).

Councillor Bell was also in attendance.

55 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

56 **Public Participation**

Prior to the meeting, a series of questions was received from Donna Watts, Chairman of Stop the Build Action Group (Dordon/Polesworth) in respect of Borough's Draft Local Plan. In her absence, the Chairman read out the questions and his response is as set out below.

Question: Could the Leader of the Council please clarify: -

- a) **Why the Boroughs draft Local Plan now includes an additional 500 dwellings for Tamworth, 540 dwellings for Coventry and a further 3790 dwellings for Birmingham.**

Under the Duty to Co-operate the Borough Council has a duty to consider the needs of surrounding areas. Previously this was done by Regional Spatial Strategies over which we had very little say. The 500 units for Tamworth was agreed prior to the adoption of the Core Strategy and included in that document. It is being carried forward into the Draft Local Plan.

Coventry is not able to meet its housing need and therefore its shortfall had to be distributed to other places in the market area. The shortfall from Coventry is 17,800 of which we have agreed to take 540.

Similarly, Birmingham is not able to accommodate its housing need, a position that has existed for many years and used to be dealt with via the Regional Spatial Strategy. Their shortfall is 37,900 and we are looking at whether or not we can take 10% of that need.

All allocations from other areas are based on our economic and social relationships with those areas.

b) Whether there could be any changes to the total number of houses proposed in this DRAFT plan as a result of the consultation and recent judgement by a Planning Inspector on the Boroughs 5 year land supply?

The consultation process may highlight issues with sites that cannot be addressed and the total number of houses can only be changed if it can be proved that the Borough cannot physically accommodate those houses.

The judgment by the Planning Inspector in the Ansley case is not relevant to this. In his view we need to provide more housing sites than we currently have otherwise the Inspectorate will grant them for us.

c) How the Borough is expected to benefit from these developments in terms of economic and social regeneration and investment in our infrastructure?

There is a Draft Infrastructure Delivery Plan which is on the agenda of this meeting which shows the areas that the Council will seek investment for and in some case sets out in detail what that infrastructure ask will be. A number of our areas have suffered from a lack of regeneration and investment linked to very limited numbers of new housing.

On a wider level, we need to remember that these figures are not invented by officials – they reflect the houses that our communities need. Everyone knows of people who cannot access the housing market, either through cost or availability, and the future economic and social interests of our communities, and the wider housing market we are part of, will be prejudiced if we do not provide the new houses and jobs they need.

d) The nature of any agreements signed by the Council has signed and whether these are publicly accessible e.g. on the website?

There is an Memorandum of Understanding signed with Tamworth BC and Lichfield DC dealing with the 500 units

https://www.northwarks.gov.uk/download/downloads/id/4729/draft_updated_memorandum_of_understanding_april_2013.doc

There is an agreed but yet to be signed MoU with Coventry & Warwickshire local planning authorities to deal with the 540 units

https://www.northwarks.gov.uk/download/meetings/id/1403/download_the_agenda_reports_and_appendices_2_-_280915

There is a signed MoU with BCC to test the delivery of 3790 from the Greater Birmingham Housing Market Area.

https://www.northwarks.gov.uk/downloads/file/6561/memorandum_of_understanding_between_birmingham_city_council_and_nwbc

Davina Ridley presented the following question to the Board;

The Council's public consultation form for the Local Plan includes a section asking people for their views and comments on the Sustainability Assessment. Is the Council planning to summarise the main points from the Sustainability assessment so that it can be easily read and understood by members of the public and how will the Council make people aware that this report is now available?

The response from the Chairman of the Board was as follows;

There will be an executive summary of the sustainability assessment. This is written with the public in mind but this is a very technical area as the document has to meet strict legal tests. We intend to provide a further summary to help explain this as best we can. Staff will be available to take members of the public through the document.

With regard to how we will consult, this is set out in 5.2 of the report to this Board (page 15/3). We are open to considering any other requests to meet groups or consult in other ways. The Forward Planning team's contact details are on our website and they can be contacted with any queries about the documents.

57 Minutes of the meeting of the Board held on 21 November 2016

The minutes of the meeting of the Board held on 21 November 2016, copies having been circulated, were approved as a correct record and signed by the Chairman.

58 External Auditors' Annual Certification Report

The Deputy Chief Executive reported on the External Auditors' Annual Certification report.

Recommended:

That the contents of the External Auditors' report be noted.

59 **Corporate Plan 2017/18**

The Chief Executive presented the Corporate Plan for 2017/18. Members were also asked to agree the 2017/18 Forward Work Plan for the Assistant Chief Executive and Solicitor to the Council.

Recommended:

- a **That the Corporate Plan Targets, as set out in the revised Appendix A circulated at the meeting, be agreed, subject to:-**
 - (i) **Any amendments recommended by the Safer Communities Sub-Committee at its meeting on 14 March 2017; and**
 - (ii) **Any further amendments which may be needed as a result of the adoption of the 2017-18 budget;**
- b **That the Chief Executive in consultation with the Chairman of the Board be given delegated authority to finalise the format of the Plan; and**
- c **That the Service Plan for the Assistant Chief Executive and Solicitor to the Council, as set out in Appendix B to the report, be agreed.**

60 **The Capital Strategy**

The Assistant Director (Finance and Human Resources) presented an update on the Capital Strategy and the Board was asked to agree the suggested course of action.

Recommended:

That the Capital Strategy, attached as Appendix A to the report of the Assistant Director (Finance and Human Resources), be approved.

61 **The Proposed 3 Year Capital Programme 2017/18 – 2019/20**

Management Team put forward proposals for the Three Year Capital Programme and outlined the availability of capital resources.

Recommended:

- a **That the Revised Capital Programme for 2016/17 as set out in Appendix A, be adopted;**

- b That the 3 Year Capital Programme for the period 2017/18 to 2019/20 as set out in Appendix B, be adopted; and**
- c That the prudential indicators as set out in Appendix F to the report, be approved.**

62 General Fund Fees and Charges 2017 – 2018

The Assistant Chief Executive and Solicitor to the Council reported on proposed fees and charges for 2017/18 and the Board was asked to agree a suggested course of action.

Recommended

That the schedule of fees and charges for 2017/18 as set out in Appendix A be abolished and officers be encouraged to provide materials electronically only (subject to their discretion to provide hard copies in exceptional circumstances).

63 General Fund Revenue Estimates 2017 – 2018

The Deputy Chief Executive reported on the revised budget for 2016/17 and an estimate of expenditure for 2017/18, together with forward commitments for 2018/19, 2019/20 and 2020/21.

Recommended:

- a That the revised budget for 2015/16 be accepted; and**
- b That the Estimates of Expenditure for 2017/18, as submitted, be included in the budget to be brought before the meeting for consideration under Minute No. 64.**

64 General Fund Revenue Estimates 2017 – 2018 and Setting the Council Tax 2017 – 2018

The Deputy Chief Executive set out the proposed General Fund Revenue Estimate for 2017/18, and the options available when setting the 2017/18 Council Tax for the Borough in the context of the Authority's Revenue Support Grant settlement, and the effect on General Fund balances.

Recommended:

- a That the savings of £739,220 shown in Appendix I of the report of the Deputy Chief Executive be approved;**

- b That the revised estimate for the year 2016/17 and the revenue estimates for 2017/18 be approved;**
- c That the Council Tax base for 2017/18, as set out in Appendix G be noted;**
- d That the preferred Council Tax option for 2017/18 be agreed by Full Council;**
- e That the Deputy Chief Executive's comments on the minimum acceptable level of general reserves be noted;**
- f That the manpower estimates for the year 2017/18 be approved; and**
- g That a Council Tax resolution be prepared for consideration by the Council, using the recommendations agreed by this Board.**

65 Consultation on HS2 Phase 2b and Class Approvals for Phase 2

The Assistant Chief Executive and Solicitor to the Council reported on two current consultations relating to HS2 and the Board was asked to agree a suggested way forward.

Resolved:

- a That the consultation responses in relation to the Phase 2b announcement be delegated to the Assistant Chief Executive and Solicitor to the Council in consultation with the HS2 Spokesperson and Shadow HS2 Spokesperson; and**
- b That subject to some minor changes to the Class Approvals, no objection is raised in relation to the Draft Class Approvals for para 4 of Schedule 17.**

66 Scheme of Delegation – Land Issues

The Assistant Chief Executive and Solicitor to the Council sought approval for changes to the Constitution in respect of the scheme of delegation relating to land issues.

Recommended:

That the Assistant Director (Streetscape) and the Assistant Director (Housing) be given delegated powers to approve requests to rent Council land in respect of rental values below £1,000 per annum and to approve requests to grant licences to cross/utilise Council land and that the Constitution be amended accordingly.

67 Draft Infrastructure Delivery Plan

The Assistant Chief Executive and Solicitor to the Council reported on a revised Draft Infrastructure Delivery Plan Strategy and the Board was asked to agree the suggested course of action.

Resolved:

- a That the Draft Infrastructure Delivery Plan go out for consultation; and**
- b That the working group reconvenes as and when more details on subject areas become available.**

68 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – December 2016

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 December 2016.

Resolved:

That the report be noted.

69 Procurement and Commissioning Strategy 2017 - 2021

The Assistant Director (Corporate Services) presented the draft Procurement and Commissioning Strategy 2017 - 2021 to Members for approval.

Recommended:

That the draft Strategy provided at Appendix A1 to the report of the Assistant Director (Corporate Services) be approved.

70 Revised Child Protection Policy and Update on Child Protection Work

The Assistant Director (Leisure and Community Development) presented a revised Child Protection Policy and gave an update on child protection work undertaken over the last 12 months. Members were asked to approve the revised Policy.

Recommended:

- a That, subject to the inclusion of proposed amendments to the reporting flow chart, the revised Child Protection Policy, attached at Appendix A to the report of the Assistant Director (Leisure and Community Development), be adopted and implemented with immediate effect; and**

- b That the child protection work that has been undertaken over the last 12 months be noted.**

71 Minutes of the meeting of the Safer Communities Sub-Committee held on 6 December 2016

The minutes of the meeting of the Safer Communities Sub-Committee held on 6 December 2016 were received and noted.

David Humphreys
Chairman

Agenda Item No 6

Executive Board

19 June 2017

**Report of the
Deputy Chief Executive**

External Audit Plan 2016/17

1 Summary

- 1.1 The main purpose of this report is to inform Members of the External Auditors' plan for their work related to the 2016/17 financial year.

Recommendation to Council

That the contents of the External Auditors' report be noted.

2 Report on the External Audit Plan

- 2.1 The Council's appointed auditors for 2016/17, Ernst & Young LLP, have considered the work they need to carry out relating to the financial year, to meet their audit responsibilities. A report detailing the scope of their work and the audit approach that will be used is attached as Appendix A.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 These are covered in the Auditors' report.

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

North Warwickshire Borough Council

Year ending 31 March 2017

Audit Plan

20 March 2017

Ernst & Young LLP



EY

Building a better
working world

Private and confidential

Members of the Executive Board
North Warwickshire Borough Council
Council House
South Street
Atherstone
Warwickshire
CV9 1DE

20 March 2017

Dear Board Members

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Executive Board with a basis to review our proposed audit approach and scope for the 2016/17 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, (the code), standing guidance, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Board's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

This plan is intended solely for the information and use of the Executive Board and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this Audit Plan with you on 19 June 2017 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Steve Clark
Partner
For and behalf of Ernst & Young LLP

Enclosures

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies ". It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk).

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 from 1 April 2015' 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 Audit Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Executive Board, and is prepared for the sole use of the audited body. 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.

1. Overview

Audit Plan

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of North Warwickshire Borough Council give a true and fair view of the financial position as at 31 March 2017 and of the income and expenditure for the year then ended;
- ▶ Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness
- ▶ Review of the Annual Governance Statement (AGS) to consider whether it complied with the CIPFA / SOLACE "Delivering Good Governance in Local Government" framework and whether it is misleading or inconsistent with other information known to the external auditor from the audit work

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Our interim work was completed in March 2017 and we found that there were no issues to report to the Executive Board and no deviations were required to the audit plan.

2. Financial statement risks

We outline below our current assessment of the financial statement risks facing the Council, identified through our knowledge of the Council's operations and discussion with those charged with governance and officers. At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)

Our audit approach

Risk of fraud in revenue recognition

Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. For North Warwickshire Borough Council we have rebutted this risk in all revenue streams.

In the public sector, this requirement is modified by Practice Note 10, issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. For North Warwickshire Borough Council we consider that this risk presents itself in 'other service expenses'.

We will

- ▶ Review and test expenditure recognition policies
- ▶ Review and discuss with management any accounting estimates on expenditure recognition for evidence of bias
- ▶ Develop a testing strategy to test material expenditure streams focusing on 'other service expenses'
- ▶ Review and test expenditure cut-off at the period end date

Risk of management override

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 will

- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- ▶ Reviewing accounting estimates for evidence of management bias, and
- ▶ Evaluating the business rationale for significant unusual transactions

Other financial statement risks

Valuation of Property, Plant & Equipment

The Council has a large and complex asset base that makes a significant proportion of its balance sheet and has various capital projects in place.

In the prior year audit we identified weaknesses in control over the recording in valuations in the fixed asset register which resulted in adjusted errors in the balance sheet.

We will

- ▶ Test the revaluation cycle, including instruction and completeness of information provided by the valuer
- ▶ Review the classification of assets and ensure the correct valuation methodology has been applied
- ▶ Consider the approach adopted by the valuer and their findings, making use of our valuation experts as appropriate
- ▶ Test the fixed asset register to ensure revaluations are correctly recorded based on the information provided by the valuer.

Pension

The need to retain and reward staff with attractive retirement benefits creates pressure on the Council to ensure pension contributions are adequate to meet each scheme's liabilities over the longer term. The Council participates in the Local Government Pension Scheme. The volatility in global investment markets and the associated impact on scheme surpluses/deficits creates the risk of failure to maintain a financially robust pension provision for staff

We will

- ▶ We will audit the assumptions used when accounting for pension obligations and related disclosures with support from our actuarial specialists

Financial statements presentation – Expenditure and funding analysis and Comprehensive income and expenditure statement

Amendments have been made to the *Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the code)* this year changing the way the financial statements are presented.

The new reporting requirements impact the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MiRS), and include the introduction of the new 'Expenditure and Funding Analysis' note as a result of the '*Telling the Story*' review of the presentation of local authority financial statements.

The Code no longer requires statements or notes to be prepared in accordance with SeRCOP. Instead the Code requires that the service analysis is based on the organisational structure under which the authority operates. We expect this to show the Council's segmental analysis.

This change in the code will require a new structure for the primary statements, new notes and a full retrospective restatement of impacted primary statements. The restatement of the 2015/16 comparatives will require audit review, which could potentially incur additional costs, depending on the complexity and manner in which the changes are made.

We will

- ▶ Review of the expenditure and funding analysis, CIES and new notes to ensure disclosures are in line with the code
- ▶ Review of the analysis of how these figures are derived, how the ledger system has been re-mapped to reflect the Council's organisational structure and how overheads are apportioned across the service areas reported.
- ▶ Agreement of restated comparative figures back to the Council's segmental analysis and supporting working papers.

2.1 Responsibilities in respect of fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud, and,
- ▶ Performing mandatory procedures regardless of specifically identified risks.

3. Value for money risks

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.

For 2016-17 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

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.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government reporting guidance on governance statements responsibilities to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment has therefore considered both the potential financial impact of the issues we have identified, and also the likelihood that the issue will be of interest to local taxpayers, the Government and other stakeholders.

At the time of writing we do not consider there to be any significant risks present in respect of our value for money conclusion, but we will continually revisit this assessment throughout the audit process.

4. Our audit process and strategy

4.1 Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Council's:

- ▶ Financial statements
- ▶ Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We report to you by exception in respect of your governance statement and other accompanying material as required, in accordance with relevant guidance prepared by the NAO on behalf of the Comptroller and Auditor General.

Alongside our audit report, we also:

- ▶ Review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require;
- #### 2. Arrangements for securing economy, efficiency and effectiveness (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.

4.2 Audit process overview

Processes

A key consideration in our audit planning process is the effectiveness of entity level controls; including the extent to which the Council assesses risk, implements controls in order to minimise risk and performs ongoing testing and monitoring of the effectiveness of the controls implemented.

Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Executive Board.

Internal audit

As in prior year, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where we raise issues that could have an impact on the year-end financial statements

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Pensions	EY pensions team
Property, Plant and Equipment	North Warwickshire Borough Council's appointed valuers

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

4.3 Mandatory audit procedures required by auditing standards and the Code

As well as the financial statement risks (section two) and value for money risks (section three), we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;
- ▶ Entity-wide controls;
- ▶ Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements;
- ▶ Auditor independence.

Procedures required by the Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.
- ▶ Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

4.4 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We have determined that overall materiality for the financial statements of the Council is £845,120 based on 2% of gross expenditure. We will communicate uncorrected audit misstatements greater than £42,000 to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

4.5 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of North Warwickshire Borough Council is £42,361.

4.6 Your audit team

The engagement team is led by Steve Clark, who has significant experience on North Warwickshire Borough Council. Steve Clark is supported by Avtar Sohal who is responsible for the day-to-day direction of audit work and is the key point of contact for the Head of Finance.

4.7 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit, including the value for money work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Council through the Executive Board's cycle in 2016/17.

From time to time matters may arise that require immediate communication with the Executive Board and we will discuss them with the Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public.

Audit phase	Timetable	Executive Board timetable	Deliverables
High level planning , Risk assessment and setting of scopes	January 2017	June 2017	Audit Plan
Testing routine processes and controls	March 2017	June 2017	
Year-end audit	July 2017		
Completion of audit	August 2017	September 2017	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements and overall value for money conclusion. Audit completion certificate Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	October 2017	November 2017	Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

5. Independence

5.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that we are independent; ▶ Details of any inconsistencies between APB Ethical Standards, the PSAA Terms of Appointment and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ▶ An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

5.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with PSAA Terms of Appointment.

At the time of writing, there are no non-audit fees.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no other self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Steve Clark, the audit engagement Partner and the audit engagement team have not been compromised.

5.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2016 and can be found here:

<http://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2016>

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2016/17 £	Scale fee 2016/17 [current year] £	Outturn fee 2015/16 [prior year] £	Explanation
Opinion Audit and VFM Conclusion ¹	42,361	42,361	42,361	
Total Audit Fee – Code work	42,361	42,361	42,361	
Certification of claims and returns	10,005	10,005	11,388	
Non-audit work	2,000	0	2,000	Certification of the capital pooling return

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

¹ Our fee for the audit and certification of grant claims is based on the indicative scale fee set by the PSAA.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Executive Board. These are detailed here:

Required communication	Reference
<p>Planning and audit approach</p> <p>Communication of the planned scope and timing of the audit including any limitations.</p>	▶ Audit Plan
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	▶ Audit Results Report
<p>Misstatements</p> <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant 	▶ Audit Results Report
<p>Fraud</p> <ul style="list-style-type: none"> ▶ Enquiries of the Executive Board to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	▶ Audit Results Report
<p>Related parties</p> <p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	▶ Audit Results Report
<p>External confirmations</p> <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	▶ Audit Results Report
<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Executive Board into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Executive Board may be aware of 	▶ Audit Results Report

Required communication	Reference
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Audit Results Report
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	<ul style="list-style-type: none"> ▶ Audit Results Report
<p>Significant deficiencies in internal controls identified during the audit</p>	<ul style="list-style-type: none"> ▶ Audit Results Report
<p>Fee Information</p> <ul style="list-style-type: none"> ▶ Breakdown of fee information at the agreement of the initial audit plan ▶ Breakdown of fee information at the completion of the audit 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Audit Results Report ▶ Annual Audit Letter if considered necessary
<p>Certification work</p> <ul style="list-style-type: none"> ▶ Summary of certification work undertaken 	<ul style="list-style-type: none"> ▶ Certification Report ▶ Annual Audit Letter if considered necessary

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Agenda Item No 7

Executive Board

19 June 2017

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

**Capital Programme – 2016/17
Final Position**

1 Summary

- 1.1 The purpose of this report is to update Members on the position of the 2016/17 Capital Programme at the end of March 2017.

Recommendation to the Council:

- a That the Board notes the level of expenditure incurred to the end of March 2017 against the 2016/17 Revised Capital Programme and**
- b That the requests to carry forward schemes identified in column 6 of Appendix A be approved and added to the 2017/18 Capital Programme.**

2 The Current Position

- ... 2.1 The Council's Revised Capital Programme for 2016/17, approved by this Board in February 2017, is set out in Appendix A. The Appendix also shows the expenditure incurred on each scheme at the end of March 2017.
- 2.2 The Appendix shows total expenditure of £10,243,294. Payments of £8,270,866 have been made within the financial year, with a further £1,972,428 due to be paid in 2017/18. This gives an under-spend of £513,546 against the approved programme of £10,756,840.

3 Outcomes from Capital Expenditure

- 3.1 The £10,243,294 committed on capital schemes in 2016/17 has achieved a number of outcomes, and some of these are highlighted in the following paragraphs.
- 3.2 Costs relating to HRA staffing have been attributed to the relevant schemes and are included within the actuals against each programme of work.
- 3.3 In terms of housing capital expenditure, programmes to replace roofing and heating, as well as implementing energy saving measures continued in 2016/17 and should complete in 2017/18. Adaptations to a number of houses

were made which has enabled disabled tenants to continue living in their current Council property.

- 3.4 The New Build programme has seen the completion of 18 properties in Lister Road, Atherstone and 16 properties in Spon Lane, Grendon. Work is ongoing on the redevelopment at Church Walk, Mancetter.
- 3.5 On the General Fund, a few new IT projects were undertaken in 2016/17. These included the implementation of a Payments Gateway upgrade to improve the data security of the BACS payments system, and improvements to the Revenues & Benefits system, through an academy software upgrade and hardware replacement. Part of a planned upgrade to the Trim system has been delayed due to problems with bespoke development. Funding relating to this has been committed into 2017/18.
- 3.7 Work on the Memorial Park Play Area Development Programme, through an approved scheme in conjunction with Coleshill Town Council, has been completed. The budgeted improvements to Abbey Green Park in Polesworth & Long Street Recreation Ground in Dordon, have also been completed.
- 3.8 The planned improvements to Bretts Hall Recreation Ground have been delayed, as the award decision relating to the Landfill Tax funding application is not expected until the summer. This budget has therefore been committed to 2017/18 and the scheme will be implemented in the autumn.
- 3.9 As with the HRA capital salaries, General Fund capital salaries have been apportioned to the relevant schemes and included within the actual expenditure against each programme of work.

4 Committed Spend in 2017/18

- 4.1 Of the capital programme expenditure of £10,243,294, there are commitments of £1,972,428 which will be required in 2017/18 to fulfil contracts already let or to continue the progress of on going schemes. These amounts are shown in column (4) of Appendix A.

5 Schemes / Expenditure Delayed

- 5.1 Of the underspend of £513,546, officers are requesting to carry forward budget provision of £182,587, as shown in column (6) of Appendix A.
- 5.2 It is requested to carry forward the budgetary provision for kitchens & bathrooms, following a recent contract award for work to be carried out over the course of the current financial year.
- 5.3 It is also requested to carry forward the funding relating to the Disabled Discrimination Act Adaptations, as a new survey is due to be commissioned later in the year to identify areas that will require improvements. This will help to ensure the Council's continued full compliance under the requirements of the Equality Act (previously Disability Discrimination Act or DDA).

5.4 There are a number of vehicles that need to be replaced and the Refuse & Recycling service are currently considering an in-cab system, which may require significant capital investment. The pressure on this service from increasing household numbers will also mean that an increase in the size of the fleet will be necessary in the near future.

5.5 Additionally, it is requested to carry forward the underspend that relates to the Backup, Disaster & Recovery project. This will fund additional storage capacity for the server or tape drive unit.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 Payments made up to the end of March 2017 amount to £8,270,866, with further commitments of £1,972,428 due for payment in 2017/18. In addition, Members are also requested to carry forward schemes totalling £182,587, where expenditure has been delayed in 2016/17.

6.2 Sustainability Implications

6.2.1 Expenditure incurred as part of the Council's Capital Programme enables the Council to continue to deliver a range of services to the people of North Warwickshire which contributes towards improving the quality of life for the communities of North Warwickshire.

6.3 Risk Management Implications

6.3.1 If the financial provision requested is not carried forward, the achievement of some of the Council's objectives may be at risk.

6.4 Equalities Implications

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

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

2016/17 Capital Outturn Position

Appendix A

	(1)	(2)	(3)	(4)	(5)	(6)
Expenditure Proposals	Total 2016/17 Revised Budget	Payments in 2016/17	Commitments due for payment in 2017/18	Total Variation to Revised Budget	Requests to c/fwd schemes into 2017/18	
HRA Assets						
Staffing	149,570	-	-	- 149,570	-	-
Heating	1,220,000	1,121,676	98,324	-	-	-
Energy Saving Measures	1,127,210	867,858	259,352	-	-	-
Adaptations	175,000	212,927	-	37,927	-	-
Kitchens & Bathrooms	150,000	-	-	- 150,000	150,000	150,000
Roofing	865,270	380,992	484,278	-	-	-
Electrics	50,000	23,927	-	- 26,073	-	-
Replacement of DLO Vehicles	47,660	47,709	-	49	-	-
Alder & Heather Court Flats	300,000	-	300,000	-	-	-
Multi Trade Contract	479,270	557,235	-	77,965	-	-
New Build	4,895,450	4,096,709	798,742	-	-	-
HRA TOTAL	9,459,430	7,309,032	1,940,696	- 209,702	150,000	
General Fund Assets						
Refurbishment of Council Owned Buildings	86,440	80,890	-	- 5,550	-	-
Disabled Discrimination Adaptations	30,000	8,822	-	- 21,178	20,239	20,239
Innage Park Cladding	235,000	241,489	-	6,489	-	-
Play Area Development Programme (3)	29,670	30,000	-	330	-	-
Bretts Hall Recreation Ground	30,000	-	30,000	-	-	-
Hurley Daw Mill Sports Ground Work with Hurley Kings FC	10,290	11,191	-	901	-	-
Improvements to Abbey Green Park, Polesworth	7,550	7,776	-	226	-	-
Improvements to Long Street Recreation Ground, Dordon	7,290	7,508	-	218	-	-
Replacement of Vehicles	174,750	163,514	-	- 11,236	11,236	11,236
Computer Hardware & Software Purchase	30,000	33,858	-	3,858	-	-
ICT Infrastructure Development	17,050	10,926	1,732	- 4,392	-	-
ICT Backup Disaster & Recovery	25,000	23,888	-	- 1,112	1,112	1,112
Academy Server Replacement	17,950	18,484	-	534	-	-
Customer Relations Manager	11,870	12,143	-	273	-	-
Leisure Equipment	20,000	23,354	-	3,354	-	-
Mobile CCTV Replacement	5,310	5,469	-	159	-	-
Capital Salaries - Management	18,320	-	-	- 18,320	-	-
Borough Care Lifelines	23,000	17,389	-	- 5,611	-	-
Decent Homes Grants & Works (Private Sector)	57,500	9,285	-	- 48,215	-	-
Disabled Facilities Grants (Private Sector)	460,420	255,848	-	- 204,572	-	-
GENERAL FUND	1,297,410	961,834	31,732	- 303,844	32,587	
OVERALL TOTAL	10,756,840	8,270,866	1,972,428	- 513,546	182,587	

Agenda Item No 8

Executive Board

19 June 2017

Report of the Deputy Chief Executive

Capital Accounts 2016/17

1 Summary

- 1.1 The capital accounts for 2016/17 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

Recommendation to the Council

That the methods of funding to meet capital expenditure incurred in 2016/17 be approved.

2 Capital Expenditure and Financing

- 2.1 Capital expenditure incurred by the Council in 2016/17 totalled £8,270,865.95. In addition, an amount of expenditure relating to 2015/16, totalling £947,835.78 remained un-funded from the previous financial year. The Authority has used a variety of sources to fund this expenditure.
- 2.2 In preparing the funding statement, the effect on resources has been taken into account. In order to maximise the resources available to the Council, the capital grant received from the Department for Communities and Local Government towards disabled facilities grants has been used as much as possible within the financial year. Similarly the additional Right to Buy receipts the Council can keep towards the provision of new build council housing have been used to the extent permitted, as they will be lost if not used within the required timescales.
- 2.3 Other grants and contributions, including section 106 funding, have been used for the schemes they relate to. Other sources of funding were also used, which include prudential borrowing, income from earmarked reserves previously approved by Members and revenue contributions to capital expenditure. Capital creditors 2016/17 are amounts relating to the 2016/17 financial year, which were not paid before the year end and therefore will not be financed until 2017/18.
- 2.4 The funding for the total expenditure of £9,218,701.73 is set out in the table below.

	HRA	General Fund	Total
Prudential Borrowing	-	163,510.00	163,510.00
Capital Receipts	1,025,287.74	200,902.85	1,226,190.59
Grants and Contributions	71,861.00	300,204.26	372,065.26
Section 106	884,850.00	4,491.35	889,341.35
Revenue / Reserves	5,604,786.74	288,141.69	5,892,928.43
Capital Creditors 2016/17	643,211.10	31,455.00	674,666.10
Total	8,229,996.58	988,705.15	9,218,701.73

2.5 The accounts of the Authority will not be audited until August. Any adjustments to the funding statement will be reported to this Board following the conclusion of the audit.

3 Report Implications

3.1 Finance and Value for Money Implications

3.1.1 The funding of the 2016/17 programme is consistent with the strategy approved by the Council, to use some receipts for General Fund schemes and to maximise the resources available for the overall programme.

3.2 Environment and Sustainability Implications

3.2.1 The Council invests in new and existing assets to enable the provision of services to continue to be delivered to the people of North Warwickshire.

3.3 Links to Council's Priorities

3.3.1 The proposed funding arrangements contribute towards the Council's priority of maximising its resources.

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

Agenda Item No 9

Executive Board

19 June 2017

Report of the Deputy Chief Executive

Earmarked Reserves 2017/18

1 Summary

- 1.1 The Council holds a number of reserves to meet future expenditure, other than the General Fund and Housing Revenue Account. This report informs Members of the balances on these reserves at 31 March 2017, subject to audit, and updates the proposed use of reserves in 2017/18.

Recommendation to the Council

To approve the reserves held at 31 March 2017 and the planned use of reserves in 2017/18.

2 The Purpose of Holding Reserves and Funds

- 2.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes and at 31 March 2017 these totalled £10.427 million. These reserves are held for a number of purposes, and in broad terms can be split into the following categories:

- External funding which has been received for specific activities, which has not been spent in the year of receipt;
- Growth approved, which has not yet been spent;
- Resources set aside as contingency sums;
- Resources set aside for general capital spending or the replacement of specific assets; and
- Funding earmarked for other reasons, such as timing differences, to smooth expenditure between years, or to progress specific projects.

... Appendix A sets out in more detail the purpose and amount of these reserves held.

3 Movement on Revenue Reserves in 2016/17

- 3.1 During 2016/17, expenditure of £4.535 million was funded from revenue reserves, whilst income of £3.767 million went into reserves. In Appendix A the reserves are grouped into the categories highlighted in paragraph 2.1, and each of these categories is dealt with below.
- 3.2 The use of 'reserves holding external funding for specific activities' related to some payment of High Street Innovator grant, the progression of community development schemes, work on welfare reform and transparency work. Grant and other external funding going into these reserves amounted to £331,000 at the end of the year, with the majority of funding received relating to planning issues. Some funding was also received for homelessness schemes, benefit initiatives, and work around welfare reform.
- 3.3 There was limited spend from reserves for 'approved growth not yet spent' on promoting the expansion of the Borough Care service.
- 3.4 There has been no movement on the contingency sums held for contaminated land, emergency planning and VAT. A reserve is held to manage the risk of changes to the business rates received and the timing of transfers from the Collection Fund. The reserve was used at the end of the year to repay income received on account in the previous year which was not due.
- 3.5 Within 'Other reserves', spending amounted to £3.576 million. Of this £3.120 million related to spending on repairs and maintenance on the Council's housing stock. Other significant spending related to the Local Development Framework, the termination costs relating to the removal of the public conveniences, one off growth items and the planned use of the HRA reimbursement to the General Fund. Contributions into these reserves amounted to £3.431 million in total. Again the largest element of this related to the annual contribution of £3.097 million going into the Housing Repairs Fund. Other amounts set aside into reserves related to development control work and funding held for recycling, BDUK, LAMS and managing sickness absence. In addition the annual repayment of service loans were made into the new initiatives reserve and some funding was set aside for additional spending on professional advisors relating to planning applications and to assist with managing income fluctuations in recycling materials.

4 Movement on Capital Reserves in 2016/17

- 4.1 During the year, income of £4.386 million went into reserves held for capital purposes. The majority of this, £4.263 million, related to the funding needed for the housing capital programme and funding earmarked for council house new build. Some revenue funding was set aside for the replacement of refuse vehicles and leisure equipment, and there was some repayment of previous capital grants that was added to the earmarked capital reserve.

4.2 Within the year reserves of £6.470 million were used, with £6.323 million used to fund housing capital expenditure. Reserves were also used to fund spending on the purchase of vehicles and IT equipment and software.

5 Proposed Use of Reserves in 2017/18

5.1 The use of some reserves in the current year is unknown, due to uncertainty over the outcome and timing of some projects.

5.2 However, the main expenditure expected to be funded from reserves in the current year is indicated below:

- Expenditure on the Council's housing stock, using the Housing Repairs Reserve (revenue)
- Projects will be progressed where specific funding has been received, eg homelessness, community development initiatives and the maintenance of land assets
- The training reserves held for Staff and Member training may be needed to supplement the annual budget provision, depending on the development programme compiled
- Funding set aside for grounds maintenance will be used to progress the Green Space Strategy action plan, including work on areas such as play areas
- Some reserves held for community projects, such as community hubs, health and wellbeing and crime prevention will be utilised.
- Work on the Local Development Framework will progress in line with the approved timetable
- The insurance and sickness reserves will be used as and when they are needed
- Capital reserves will be used to support the agreed capital programme

6 Assessment of Risk when Establishing Earmarked Reserves

6.1 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Those established to manage the receipt of grant are generally clear-cut, as expenditure is matched very specifically to the income available.

6.2 Reserves set up to manage timing differences similarly lead to little risk. Funds set aside for expected shortfalls are used to manage the risk to the base budget and are estimated using the best available information and with a view to the anticipated timeframe involved. For example, the VAT reserve held should cover the VAT that could not be recovered, should the Authority

exceed its exempt limit, for one year. This would allow corrective action to be taken in a planned way.

- 6.3 Given the uncertainties around the transfer of business rates to local authorities, a reserve is held, which will give some funding to cushion any unexpected changes to how the schemes operate and to manage timing differences in transfers of business rates from the Collection Fund.

7 Report Implications

7.1 Finance and Value for Money Implications

- 7.1.1 Although the Council holds a number of additional reserves, these are earmarked for particular purposes. Some resources have been set aside to deal with new initiatives, but these will only provide one-off funding for schemes.

7.2 Safer Communities Implications

- 7.2.1 Funds held will contribute to meeting the objectives of the Council's priority of working with partners to tackle crime and anti social behaviour.

7.3 Environment and Sustainability Implications

- 7.3.1 These funds contribute to the ongoing provision of Council services, but are one-off contributions to meet the costs of expenditure incurred.

7.4 Equality Implications

- 7.4.1 The Council is required to ensure it meets the requirements of the Equality Act 2010. The Act brings together all previous equality legislation and includes a public sector duty (the equality duty) replacing separate duties relating to race, disability and gender equality. The individual use of the reserves will need to include assessment of the equality implications and any adverse impacts which may arise. The uses of reserves identified in Appendix A will include a number of positive contributions in terms of the equality duty including the community and economic development projects, homelessness, benefits and outreach and access to services.

7.5 Risk Management Implications

- 7.5.1 The Council assesses the risks involved in setting up any earmarked reserves, and agrees action, where appropriate.

7.6 Links to Council's Priorities

- 7.6.1 The use of reserves assists the Council on maximising its use of resources.

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

EARMARKED RESERVES FOR REVENUE PURPOSES

EXTERNAL FUNDING RECEIVED FOR SPECIFIC ACTIVITIES

Purpose of Reserve	Balance March 2016 £000	Contribution to Reserve	Use of Reserve	Balance March 2017 £000
Community and Economic Development Projects – funding received for sport, health, crime and disorder, economic development, High Street Innovator grant and other community projects.	206	17	14	209
Planning – to be used to progress the delivery of housing sites and to maintain a Brownfield Site Register	-	239		239
Homelessness – towards homeless schemes within the Borough	38	24		62
Environmental Sustainability - received towards work on climate change	35			35
Risk Management – an amount received from Zurich Municipal for risk management initiatives	57			57
Benefits – for benefits initiatives and to promote anti fraud campaigns	57	22		79
Maintenance of Assets – commuted sums received towards the maintenance of open space	5		5	-
Neighbourhood Plans – to support communities to develop neighbourhood plans within North Warwickshire	39			39
RIEP / INSPIRE Annexe 3 grant – to be used for system review work and to meet EU requirements around spatial data over the next three years	14			14
New Burdens – received for council tax and welfare reform	210	23	3	230
Transparency and Digital Experts – grant funding to improve information for residents	21		2	19
Other – a third edition of North Talk and funding for elections and the registration of electors	50	6		56
TOTAL	732	331	24	1,039

APPROVED GROWTH NOT YET SPENT

Purpose of Reserve	Balance March 2016 £000	Contribution to Reserve	Use of Reserve	Balance March 2017 £000
Outreach and Access to Services –funding set aside for community projects	28	1		29
Borough Care - one-off funding approved for the expansion of the service.	29		3	26
High Speed 2 – one off funding approved for costs associated with HS2	39			39
Other – approved for land drainage work, flexible working and a wellness centre.	1			1
TOTAL	97	1	3	95

CONTINGENCIES

Purpose of Reserve	Balance March 2016 £000	Contribution to Reserve	Use of Reserve	Balance March 2017 £000
Contaminated Land – in the event that the Council has to deal with contaminated land issues, there is no provision in the base budget. This contingency would enable some work to take place.	51			51
VAT – If the Council goes above its deminimis level, it will not be able to reclaim all its VAT. The reserve has meant that provision is not needed in the annual revenue budget.	90			90
Emergency Planning – under-spends against the annual budget have been set aside to build up a small contingency.	27			27
Land Charge Refunds – following a change in VAT rules, there may be a requirement to repay some VAT to residents.	44	4		48
Business Rates Volatility – in case costs change when further detail of the local business rate scheme is known	1,740		932	808
TOTAL	1,952	4	932	1,024

OTHER

Purpose of Reserve	Balance	Contribution	Use of	Balance
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	March 2016 £000	to Reserve	Reserve	March 2017 £000
Local Development Framework –Planning fee income set aside to support the Local Development Framework and Conservation Study work.	234	26	122	138
Housing Repairs Fund – The Council undertakes general repairs and maintenance on its housing stock and this fund contributes to the costs of these repairs.	511	3,097	3,120	488
New Initiatives / One off growth – This reserve is to provide ‘pump priming’ for the initial costs that arise from new initiatives, which will ultimately reduce existing costs. Savings achieved will be used to repay the contribution from the reserve, so that other services will have similar opportunities to implement new schemes. Some funding has also been set aside for one off growth items.	420	61	233	248
Community Development Schemes - funding set aside for social inclusion schemes involving health.	13			13
Green Space Strategy – Some funding set aside to enable tree works and a review of the grounds maintenance service. The remainder to progress actions identified within the Green Space Strategy action plan.	40		17	23
Crime and Disorder – funding for crime prevention work with partners.	46	9		55
Leasing – Leases for a number of vehicles were only finalised after the vehicles were already in use. This meant that charges included within the revenue account in the first year of operation covered a different period to the actual leasing payment made. The difference was set-aside in this reserve, to cover the outstanding costs at the end of the lease, arising from the timing difference.	27	5	2	30
Maintenance of Council Assets – the Council has to carry out revenue repairs and maintenance on an ongoing basis to its property, vehicles and other facilities. Funds have been set aside to provide funding for unexpected and non-regular repairs.	85	2		87
QE AGP – Contingency funds held as part of the joint working arrangement with the school	37	7	5	39
Training – The maintenance of this reserve has allowed fluctuations in annual training to be managed, so that training and development is provided when required rather than when funding is available.	94	5		99
Consultation – There is continuing pressure to consult with residents of the Borough and service users. The requirement to consult varies from year to year and the reserve allows fluctuations between years to be managed, without affecting other revenue spending.	43			43
Amenity Cleaning – Additional provision approved for this service has not been spent to date, and has been set-aside to cover future work.	50			50
Purpose of Reserve	Balance March	Contribution to Reserve	Use of Reserve	Balance March

	2016 £000			2017 £000
Human Resources – funding to cover the cost of employment law specialists and external investigators is needed on an ad hoc basis.	20			20
Area Forums – Funds held by area forums, which have not yet been allocated.	45	8		53
Insurance – to cover the additional excess costs borne by the Council, as a result of increasing the levels, to take advantage of lower premiums	60	14	21	53
Financial Systems – to cover the professional fees required to update the financial management and capital accounting systems	20			20
Miscellaneous – This covers a number of small reserves which do not fall into the other categories, including the sickness fund, flexible working, clean neighbourhoods	112	68	6	174
Development Control –To cover the use of professional advisors on planning applications	-	37		37
Recycling Income Equalisation – to assist with the management of income fluctuations	-	30		30
LAMS – Income set aside in case of defaults against mortgages guaranteed	37	12		49
Broadband UK – year 1 funding has been set aside, as the scheme has taken longer to start than expected	57	50		107
HRA Reimbursement to General Fund	390		50	340
TOTAL	2,341	3,431	3,576	2,196

TOTAL REVENUE RESERVES	5,122	3,767	4,535	4,354
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EARMARKED RESERVES FOR CAPITAL PURPOSES

CAPITAL SPENDING / ASSET REPLACEMENT

Purpose of Reserve	Balance March 2016 £000	Contribution to Reserve	Use of Reserve	Balance March 2017 £000
GF Capital – this reserve is used to fund capital expenditure on General Fund schemes, eg works on Council buildings or the replacement of software.	505	56	142	419
Play Area Replacement – revenue funding is set aside each year, to ensure there are sufficient resources to replace the refurbished play areas in the future	361			361
Equipment Replacement - This sum has been earmarked for the future replacement of PCs, leisure equipment, recycling bins and CCTV equipment.	199	39	5	233
Vehicle Replacement – some funding has been set aside for the replacement of the refuse vehicles originally purchased by WCC	30	15		45
Pool Reserve (Lottery) – as part of the award of lottery funding towards the refurbishment of Atherstone Pool, the Council agreed to set aside some funds on an annual basis towards the replacement of the plant within the facility	160	13		173
Housing Capital – this reserve is used to support the capital programme for Housing schemes.	2,462	3,104	3,824	1,742
Housing New Build – resources set aside for new build schemes	2,904	1,159	2,499	1,564
Major Repairs Reserve – The Major Repairs Allowance is to fund capital expenditure on the Council's Housing Stock.	1,536			1,536
TOTAL CAPITAL RESERVES	8,157	4,386	6,470	6,073

Agenda Item No 10

Executive Board

19 June 2017

Report of the
Deputy Chief Executive

Annual Governance Statement
2016/17

1 Summary

- 1.1 The Annual Governance Statement sets out the arrangements the Council has put in place for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk. These ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for and is used economically, efficiently and effectively.

Recommendation to the Council

- a That the Annual Governance Statement for 2016/17, attached as Appendix A, is approved; and
- b That the improvement plan, attached as Appendix C, is approved and progress against the plan is reported to Board.

2 Background

- 2.1 The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, in relation to the publication of a statement on internal control.
- 2.2 The Council has also reviewed the Chartered Institute of Public Finance Association (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government (2010), to ensure its financial management arrangements conform to the governance requirements of the CIPFA Standard.

3 **Review of the Effectiveness of Internal Audit**

- 3.1 The Council has a system of Internal Control, to which the internal audit system contributes significantly. The internal audit section is responsible for the provision of much of the system, although some responsibilities are carried out by others. Fraud work is carried out within the Revenues and Benefits Division and through external consultants (TIAA), and a specialist contractor is used for IT audits where necessary. All of these also contribute to internal audit within the Authority.
- 3.2 The position of the Council against the CIPFA Code of Practice for Internal Audit was assessed as part of the 2006/07 Statement of Internal Control, and has been revisited on an annual basis since then. Steps have been taken to improve the internal audit function over the last couple of years, and all actions identified as part of the assessment have been implemented.

4 **2016/17 Annual Governance Statement**

- ... 4.1 The Statement (Appendix A) presented to Members this evening for approval sets out how the Council meets the following principles:
- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area;
 - Members and Officers working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - Developing the capacity and capability of Members and Officers to be effective; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.

- ...
- 4.2 Members are kept informed throughout the year about the various areas that make up the system of internal control. Much of this information comes through Board reports. All Boards receive progress reports on the service areas that come within their remit. Higher level reports include progress against the Corporate Plan and budgetary control reports. However, other more detailed reports are used to deal with specific areas, such as recycling options and promotion, the strategic review of Leisure and Community Development and the Heart shared service. Progress against the 2016/17 Corporate Governance Action Plan is shown in Appendix B.
- 4.3 Responsibility of monitoring against corporate activity has also been assigned to individual boards, for example, the Resources Board considers Treasury Management activity and the work of Internal Audit, whilst the Executive Board considers the outcomes of the work of the external auditors.
- 4.4 Where appropriate, all Members are involved in major reviews. Other means are also used to monitor the activity of the Council, such as the use of Task and Finish Groups. In addition, Members are involved in areas such as appeals, and can ensure that agreed policies are being adhered to.
- 4.5 In reviewing the corporate governance arrangements, a number of areas have been highlighted for further action. These are summarised in the action plan, attached as Appendix C.
- ...
- 4.6 Once approved by this Board, the Statement will need to be signed by the Leader of the Council and the Chief Executive.

5 Report Implications

5.1 Finance and Value for Money Implications

- 5.1.1 The governance arrangements put in place by the Council ensure that its financial position is safeguarded and that only approved expenditure is incurred on behalf of the Council and income is only generated for goods and services it actually provides.

5.2 Legal and Human Rights Implications

- 5.2.1 The governance arrangements put in place by the Council ensure that its legal position is safeguarded, it complies with relevant laws and regulations and that expenditure is lawful.

5.3 Environment and Sustainability Implications

- 5.3.1 As part of the Council's governance arrangements, there is a requirement for Officers and Members to consider the environmental impacts and sustainability of decisions taken.

5.4 Human Resources Implications

5.4.1 There are systems in place which ensure that health and safety considerations are taken into account, along with legal requirements. The Council also has a number of policies which set out expected standards of behaviour for both Officers and Members.

5.5 Risk Management Implications

5.5.1 The Council manages its risks by having good internal control mechanisms in place. The improvements identified in the statement for the future will strengthen these mechanisms.

5.6 Equalities Implications

5.6.1 As part of the Council's governance arrangements, there is a requirement for Officers and Members to consider the equalities implications of decisions taken.

5.7 Links to Council's Priorities

5.7.1 The governance arrangements ensure that the achievement of the Council's priorities is monitored on a regular basis, and action taken where this is appropriate.

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

NORTH WARWICKSHIRE BOROUGH COUNCIL

2016/17 Annual Governance Statement

North Warwickshire Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website. This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations.

The Council has also reviewed the CIPFAⁱ Statement on the Role of the Chief Financial Officer in Local Government (2010), and is satisfied that its financial management arrangements conform to the governance requirements of the CIPFA Standard.

The governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2017 and up to the date of approval of the statement of accounts.

Statutory Officers

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

- The Head of Paid Service – Chief Executive
- The Chief Financial Officer – Deputy Chief Executive
- The Monitoring Officer – Assistant Chief Executive and Solicitor to the Council.

The Head of Paid Service leads and takes responsibility for the work of the Council's paid staff who run the local authority on a day to day basis. The role requires the Chief Executive to work closely with elected Members to ensure strong and visible leadership and direction, ensure staff adhere to the strategic aims of the Authority and follow the direction set by elected Members, act as the principal policy advisor to elected Members, develop workable strategies which will deliver the political objectives set by elected Members, lead and develop strong partnerships across the local community to achieve improved outcomes and better public services for local people, and oversee service development, financial and performance management, people management and change management within the Council.

The Chief Financial Officer must be a member of a specified accountancy body, and is bound by professional standards. The CFO is responsible for the proper administration of the Council's financial affairs and has specific legislative responsibilities, as he/she has a fiduciary responsibility to the local taxpayer. In England, the CFO has a statutory duty to report to the authority at the time the budget is considered and the council tax set, on the robustness of the budget and the adequacy of financial reserves. With regard to capital spending, there is a statutory requirement to set and arrange the Council's affairs to remain

within prudential limits for borrowing and capital investment. The CFO must also be proactive in the management of change and risk, be focussed on outcomes and help to resource the authority's plans for change and development in the public services it provides. The CFO's duties include a requirement to report to all the local authority's members, in consultation with the monitoring officer and head of paid service, if there is or is likely to be unlawful expenditure or an unbalanced budget.

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

All of the statutory officers are members of the Senior Management Team of the Council. The fourth member of the Senior Management Team is the Assistant Chief Executive (Community Services), who adds a customer focus to any decision making of the Team.

The purpose of the governance framework

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

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

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

The governance framework

The Council assesses the needs of the area through the Sustainable Community Strategy process and work with the North Warwickshire Community Partnership. Consultation is undertaken with stakeholders, as part of the review process. This Community Strategy is used to inform the Council's Corporate Plan, which provides clear links on how the achievement of Council priorities assists in the delivery of community objectives. Other mechanisms are also used and an example of these is the range of partnerships across Warwickshire, which is playing an increasing part in influencing the work of the Council. As consultation is part of these mechanisms, and as these are ongoing, they also require the Council to be accountable for the actions they have taken over time.

The Corporate Plan is approved before the start of each year and identifies the headline targets for the coming year, which are supported by greater detail within individual service plans. All members of the senior management team contribute actively to cross

organisational issues and to corporate decision making to match resources to the authority's objectives. The CFO and monitoring officer provide financial and legal advice and support to elected representatives to inform their decision making. They review papers for consideration, attend meetings as necessary and are available for members to consult. The CFO ensures that all members of the Senior Management Team have the financial capabilities necessary to perform their respective roles.

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

- A 30 year Business Plan for the Council's housing stock to ensure ongoing viability;
- A Medium Term Financial Strategy to ensure sustainable finances for all other Council services;
- A robust annual process that ensures financial balance; and
- A monitoring process that enables this to be delivered.

During the year progress against Corporate and Service Plan targets is collected and reported to senior managers, Management Team and to service boards, along with performance indicator information. A final position is collated at the end of the year, which is again reported to Members and is also published on the Council's website. Periodic and annual reviews of financial reports indicate financial performance against forecasts for all of the Council's spending. Summary information is also published.

As well as monitoring achievement of identified outcomes, the Council wants to ensure that an excellent quality of service is provided. It ensures this in a number of ways: obtaining user feedback, through independent inspection and audit and through system reviews. The Council takes part in Peer Challenge reviews periodically. Peer challenges are improvement-focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. One of these reviews highlighted communication as an area for improvement, and we have continued to focus on how we communicate. During 2016/17 we commissioned the LGA to undertake a Communications Healthcheck, and as a result have identified a number of areas where we want to make improvements.

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

The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. A more cost effective service is provided by appropriately trained staff and the appraisal system is also used to assess the training and development needs of individual employees, and ensure that they have the skills and abilities to carry out the tasks required. Where a shortfall is identified, this is addressed through the annual training plan. The Council uses a workforce plan to plan more rigorously for future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery.

As the Council looks at revised ways of working and increasing its use of partnerships in the provision of services, it agrees the roles and responsibilities of those involved during the 'set up' stage. For major partnerships these are formalised in a legal agreement. This ensures

that services are still managed and governed appropriately, whether the Council provides them directly or through others.

Better value for money by improving efficiency, though partnership working or other means, realises savings that can be used to offset the Council's reduction in external funding. Helping to secure positive social outcomes, within affordable funding, lies at the heart of the CFO's role in the local authority.

The Council expects its Members and officers to maintain appropriate standards of conduct and behaviour. These are set down in codes of conduct, standing orders, financial regulations, policies and processes, which are regularly reviewed. Compliance is monitored on an ongoing basis, and supplemented by information through the complaints and compliments procedure and confidential reporting policy. To assist with monitoring, a register of interests is maintained for both Members and officers. Non compliance by employees is dealt with through the Council's disciplinary procedure. The process for dealing with non compliance by Members involves at least one Independent Person.

There are risks involved with the provision of any services, so the Council uses a system of risk management to minimise and manage the risks it faces. It does this by identifying both strategic and operational risks, looking at existing controls in place to reduce these, and amending these or bringing in new controls where this is beneficial. Risk management is led by the Deputy Chief Executive, with support from Finance and Human Resources, who promote and co-ordinate risk management across the Council. The system involves an annual review of strategic risks by the Senior Management Team and an annual review of operational risks in their service areas by senior managers. Some checking is carried out throughout the year by the Internal Audit section. In addition the Resources Board receive updates on risk management activity undertaken.

Board meetings are open to the public, except where personal or confidential matters are being disclosed. All areas of work go through the Board system, with the majority of work discussed in 'open session'. Reports to Board cover a standard format, to ensure that all reports contain sufficient information and options to allow for robust and well informed decision making. All implications that need to be considered, such as legal, financial, risk management and so on, are covered. Where possible, the implications are checked by staff with professional knowledge. This ensures that Members have sufficient and suitable information for decision making, and also ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The Council accounts for its decisions through the information it publishes. It also is subject to scrutiny through a variety of means: self scrutiny by Task and Finish groups, internal and external audit work, central and regional inspection agencies and reviews by service users. The Council is also accountable to the public and local groups and uses consultation to assess whether it is meeting local expectations. Public speaking at Planning Board and question time at all Boards is available, to make us more accountable to the public. The Council has a consultation strategy and will vary the methods used for consulting with the public depending on the subject matter, and the target audience. Through this mechanism valuable information is received on the decisions that the Council has taken, and is used to feed into future objectives.

Review of effectiveness

North Warwickshire Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of its effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, work carried out by Internal Audit, and also by comments made by the external

auditors and other review agencies and inspectorates. Data obtained from the results of user surveys are also used to assess the effectiveness of the Councils governance arrangements.

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. Other review work has been undertaken by the Council's statutory officers, with amendments made to the Constitution, Treasury Management Strategy, and Procurement and Commissioning Strategy.

Scrutiny can be carried out through the use of Task and Finish groups, which are aligned to the Policy boards. Task and Finish Groups that met during the year included the Civil Parking Enforcement, Borough Care and Refuse and Recycling Groups. In addition working parties were set up to look at revised Development Management Plan policies and to progress Health and Wellbeing.

The work undertaken by Internal Audit has enabled the Head of Audit to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda. Progress has been made with the implementation of the Corporate Governance Action Plan approved last year, although some areas still require completion. Specialist counter-fraud consultants have been used to supplement the work carried out by the section.

The Council takes fraud of any kind seriously, and our first aim is to prevent opportunities for fraud to occur, by building sufficient controls into systems and procedures. This is supplemented by fraud awareness training for all employees. We have a number of ways that concerns can be raised, by employees, Members of the Council or the public. These concerns will be followed up by trained investigators and action will be taken in proven cases. The Council also contributes to National and Regional Fraud Initiatives using data matching techniques. The Internal Audit section work with divisions to ensure that all areas identified are followed up.

The risk management strategy used by the Council has been reviewed during the year, as it is subject to annual review to ensure it remains effective. The risk management process operated by the Council has continued throughout the year, including the completion of Annual Statements of Assurance by all senior managers.

Our review of the effectiveness of the system of internal financial control is informed by the work of managers within the Council, the work of the Internal Auditors and by our external auditors, Ernst & Young plc, in their annual audit letter and other reports. Executive Board consider the annual audit letter. The external auditors are also required to comment on the value for money achieved by the Council, as part of their opinion on the financial statements.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Resources Board, Task and Finish Groups, Chief Executive, Deputy Chief Executive, Assistant Chief Executive and Solicitor to the Council, Assistant Chief Executive (Community Services), Assistant Directors, Audit Manager, Ernst & Young plc, TIAA, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

A number of actions have been taken during the last year to manage risk and improve the Council's governance arrangements, including:

- The Medium Term Financial Strategy was updated to reflect the reduced funding available, as well as the identification of 2017/18 savings;

APPENDIX A

- The Treasury Management Strategy was reviewed and updated;
- Continued monitoring of business rate appeals with the Valuation Office ;
- Work was carried out in line with the agreed Audit Plan, with ad hoc work completed where necessary;
- The constitution was amended to reflect a change to delegated powers;
- Training sessions for Members were held on licensing and planning matters;
- Further training sessions on Child Protection issues were carried out for staff, with training also provided for Members;
- Continued to use a part time fraud officer to detect low level Council Tax Support and tenancy fraud;
- The corporate Debt and Write Off Policy was reviewed and updated to ensure it remains fit for purpose;
- A Member Task & Finish Group started to look at parking provision and management in readiness for the implementation of Civil Parking Enforcement;
- Achieved PSN and Cyber essentials Plus certification;
- The Taxi Licensing Policy (Fit and Proper Persons) was updated;
- Advertised for applicants for the role of Independent Persons for the Member Code of Conduct.

Further actions will be taken in 2017/18, including:

- Updating the Medium Term Financial Strategy and working on savings for 2018/19 onwards;
- Updating the capital programme and resources available;
- Continuing to petition Parliament on HS2;
- Continuing to review IT/cyber security measures and identifying ways to improve the security of our systems and data;
- Monitoring changes in employment law, updating policies and providing briefings as required;
- Continuing the programme of health and safety audits in services;
- Completing the review of the homelessness strategy and the development of the revised Lettings scheme, to ensure housing need in the Borough is met effectively;
- Further work to address Safeguarding issues;
- Consultation and further work on the draft Local Plan.

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

Signed:.....
Leader of the Council

Signed:.....
Chief Executive

On behalf of North Warwickshire Borough Council

APPENDIX B

CORPORATE GOVERNANCE ACTION PLAN 2016/17

Action	Responsible Officer	Date Due	Progress
Carry out a mid year review of progress made against risk management actions identified	AD (F&HR)	November 2016	Delayed
Review, and where appropriate, make interim arrangements to revise the Council's priorities and key actions	CE	December 2016	Completed
Delivery of targets within the financial strategy	DCE	Feb 2017	Completed
Update and deliver the training plan for Members	ACE & StC AD (F&HR) AD (L&CD)	March 2017	Completed
Update the Workforce Plan	AD (F&HR) / AD's / SH's	March 2017	In progress
Monitor the collection of business rates and provide information to the Local Pool	DCE	March 2017	Complete
Continue to monitor and take part in developing Regional / Sub Regional Governance	CE	March 2017	Ongoing
Continue to seek mitigation against the impact of HS2 on the Borough	ACE & StC / DCE	March 2017	Ongoing
Training for Officers on emergency planning / business continuity	CE	March 2017	Ongoing

APPENDIX C

CORPORATE GOVERNANCE ACTION PLAN 2017/18

Action	Responsible Officer	Date Due
Carry out a mid year review of progress made against risk management actions identified	AD (F&HR)	November 2017
Review, and where appropriate, make interim arrangements to revise the Council's priorities and key actions	CE	December 2017
Delivery of targets within the financial strategy	DCE	Feb 2018
Update and deliver the training plan for Members	ACE & StC AD (F&HR) AD (L&CD)	March 2018
Update the Workforce Plan	AD (F&HR) / AD's / SH's	March 2018
Monitor the collection of business rates and provide information to the Local Pool	DCE	March 2018
Continue to monitor and take part in developing Regional / Sub Regional Governance	CE	March 2018
Continue to seek mitigation against the impact of HS2 on the Borough	ACE & StC / DCE	March 2018
Training for Officers on emergency planning / business continuity	CE	March 2018

Agenda Item No 11

Executive Board

19 June 2017

Report of the Deputy Chief Executive

Financial Statements 2016/17

1 Summary

- 1.1 The Annual Financial Statements have to be signed by the Responsible Financial Officer (RFO) by the end of June 2016. This report highlights the position on the General Fund and Housing Revenue Account, compared with the estimate position previously reported.
- 1.2 The accounts have not yet been audited, and may need some adjustment following the completion of the audit later in the year. The audited Statements will be presented at the September meeting of the Executive Board.

Recommendation to the Board

That the position on the General Fund and Housing Revenue Account at 31 March 2017 be noted.

2 Introduction

- 2.1 The publication of the Financial Statements is a statutory requirement, with a statutory timetable. For the 2016/17 financial year, the Authority is required to prepare its accounts by 30 June and to publish them by 30 September.
- 2.2 The Council's external auditors, Ernst & Young plan to audit the Financial Statements during July / August, to allow them to present their conclusions in the annual audit letter which will come to the September meeting of the Board.
- 2.3 The accounts are closed on the best information available at the end of March, which in some instances requires the use of estimates. As the auditors are required to look at transactions that have taken place since the end of the year, and in some instances agree adjustments to the Statements, the Statements are expected to change following the audit.

3 Changes in the 2016/17 Financial Statements

- 3.1 Local authorities are required to prepare their financial statements in line with the latest Accounting Code of Practice. There are some presentational changes required for the 2016/17 accounts. The main changes are new formats and reporting requirements for the Comprehensive Income and

Expenditure Statement and the introduction of a new Expenditure and Funding Analysis.

4 **2016/17 Activity**

4.1 **General Fund Revenue Account**

4.1.1 The original budget for the General Fund set in February 2016 anticipated a use of balances of £619,570. Following the approval of a number of supplementary estimates, the expected use increased to £762,970. A revised budget was approved in February 2017, which anticipated a reduced use of balances of £427,670. The main reasons for the improved position were detailed in the 'General Fund Revenue Estimates 2017/18 and Setting the Council Tax 2017/18' report to Executive Board. They included: a significant reduction in employee costs, additional income from the introduction of charging for Borough Care, a reduction in the vacancies at industrial units and lower borrowing costs due to a delay in replacing some grounds maintenance and amenity cleaning vehicles. These more than offset an increase in the haulage costs on recycling and premise costs on the old Coleshill Leisure Centre site.

4.1.2 The actual position on the General Fund at the end of the financial year is better than that anticipated in the revised estimate. A lower use of balances of £269,720 has been achieved. The main changes from the revised estimate are:

- Some salary vacancies continued, partially offset by higher recruitment costs, an increase in the use of agency staff and professional services. In addition, there was an underspend on the staff training budget;
(£121,000)
- Housing benefit expenditure is higher than anticipated;
£70,000
- The expected decrease in planning income did not occur to the level anticipated, so although actual income did not achieve the original budget, it did exceed the revised budget;
(£41,000)
- A reduction in corporate expenditure on bank charges and external audit fees;
(£34,000)
- Additional income from legal costs relating to council tax collection;
(£20,000)

4.1.3 In addition to the movements highlighted above, there have been a number of movements into and out of earmarked reserves. These movements allow timing issues to be dealt with, for example, if grant income is received late in the year, the expenditure will not take place until the following year. It also

allows some services, such as Building Maintenance, to operate as a fund where this is more practical.

- 4.1.4 It was not possible to spend the approved budget in some budget areas, due to either lack of some staff capacity, or because preparatory work was needed. This affected areas such as community development and crime prevention. Earmarked reserves have been used to ensure that the expenditure can be funded / schemes completed in the current year.

4.2 **Housing Revenue Account (HRA)**

- 4.2.1 The original budget for the HRA set in February 2016 anticipated a surplus in the year of £374,760. This was revised in the budget approved in February 2017, which anticipated a surplus of £1,022,950. The reasons for this change were detailed in the HRA estimate report taken to Resources Board, with the main change being a reduction in the revenue funding of capital required, following the expected retention of additional capital receipts due to the sale of council properties. In addition a lower increase in the provision for bad debts was expected, following an assessment of the position on rent arrears.

- 4.2.2 The actual position on the HRA is worse than anticipated in the revised budget, with a reduced surplus of £532,257 added to balances, instead of the £1,022,950 in the revised budget. The poorer financial position in the year is largely due to a lower number of RTB sales than was expected. This has reduced the capital receipts available to repay debt and fund new build expenditure, so additional revenue contributions have been needed. However this is of benefit going forward, as the rental income stream is retained for future years. The impact has been mitigated to some extent, as good collection of rental income has reduced the in year provision for bad debts further than expected.

- 4.2.3 The HRA holds a separate Housing Repairs Fund. This is used to cover the costs of day-to-day repairs and maintenance, including works undertaken by Housing Direct Works (HDW) and private companies. The balance on the Fund at the end of the year amounted to £487,589, which is available for the coming year.

5 **Report Implications**

5.1 **Finance and Value for Money Implications**

- 5.1.1 The actual position reported for both the General Fund and Housing Revenue Account for 2016/17 impacts upon future years. The General Fund is better than predicted when setting the 2017/18 budget. However, significant pressures for increased costs in future years continue, together with a lot of uncertainty over future funding arrangements. Although the Council has a number of additional reserves, these are earmarked for particular purposes. Savings will still be needed in order to preserve the level of general balances, whilst at the same time maintaining the quality of services and coping with additional responsibilities.

5.1.2 The starting position on the Housing Revenue Account is worse than predicted when setting the 2017/18 budget. However additional rental income will be available going forward as result of the lower council house sales.

5.2 Environment and Sustainability Implications

5.2.1 The Council has remained within its overall budgets for the 2016/17 year. This will assist in allowing the Council to manage its expected shortfall in resources, and minimise disruption to essential services.

5.3 Risk Management Implications

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

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	General Fund Budget and Setting the Council Tax 2016/17	Feb 2016
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2016/17	January 2016
Executive Board	Sue Garner	General Fund Budget and Setting the Council Tax 2017/18	Feb 2017
Resources Board	Nigel Lane	Housing Revenue Account Estimates 2017/18	January 2017

Agenda Item No 12

Executive Board

19 June 2017

**Report of the
Deputy Chief Executive**

**100% Business Rates
Consultation**

1 Summary

1.1 The Government has indicated its intention to introduce 100% retention of Business Rates in the 2019/20 financial year. However, this may now be delayed as a result of the June election.

1.2 They have issued a consultation paper on the design of the reformed system comments were due by 3 May. This report outlines the proposals in the consultation and attaches the response that was sent (Appendix A).

...

Recommendation to the Board

That the report and response be noted.

2 Report

2.1 Rewarding Growth – Resetting the System

2.1.1 The Government recognises the need to find the right balance between redistributing business rates to meet changing relative needs and using the system to provide an incentive for longer term growth.

2.1.2 Redistributing resources too infrequently could result in authorities not being able to deliver services where relative need grows faster than local tax resources. However, changes made too frequently weaken the incentive for growth and will reduce the confidence of local authorities to build growth into their base budgets. The Government believes that partial re-sets will help provide an appropriate balance and they are proposing these should happen every five years.

2.1.3 Under this approach, business rate baselines will be set for every local authority for a five year period. Any growth in income achieved during the five year period will be retained by the local authority (according to their share). When reset occurs, baselines will be recalculated, allowing a proportion of growth achieved by the authority to be retained. The other portion of growth will be redistributed to bring those authorities that have seen their business rates decline back to their baseline.

2.1.4 At the same time that the partial reset takes place, there would also be a reassessment of relative needs.

2.1.5 Resetting the needs formula could result in significant changes so the Government intend to explore transitional arrangements after a reset. Any arrangement would unwind during the five year period.

2.1.6 There will be a relationship between the amount of growth authorities are able to retain at a reset and the amount required to bring all authorities back to baseline.

2.2 **Measuring Growth**

2.2.1 Partial resets will require the Government to measure growth over a reset period. The consultation is asking for views on how this should be done.

2.3 **Business Rate Pooling**

2.3.1 The Government believes local authorities can achieve greater impact when working together, especially when working over wider areas to achieve economic growth. They, therefore, want to encourage and reward pooling under the new system. They believe the current approach incentivises the wrong behaviours with authorities being perceived as high risk being excluded from pools.

2.3.2 The Government intends to broaden the ability of the Secretary of State to designate pools of authorities. Authorities will need to be consulted, but not need to agree. The consultation states that removing the requirement for authorities to agree will enable the Secretary of State to ensure that pools are created across functional economic areas. In order to make pooling more attractive, the consultation lists a number of rewards to be explored:

- Offering up additional growth incentives – including the ability of the pool to set their own local growth zone.
- The option of retaining additional growth income when the system is reset.
- A different level of safety net.
- Different or additional responsibilities to be funded through business rates.

2.4 **Local Growth Zones**

2.4.1 These zones would allow authorities to retain growth outside the reset system for a specified number of years. The Government proposes to set out a number of parameters for these zones and then allow pooling authorities to set up and define the relevant area.

2.4.2 These parameters could include some or all of:

- The proportion of growth retained in the local growth area.

- The rateable value of hereditaments in the geographical areas to be designated and/or the proportion of the total business rates income that could be covered by the local growth areas.
- The number of years that a growth area would exist.
- Definitions about the geographical areas.
- A connection to investment from the local authority/ties in the growth areas
- The purpose for which the growth could be used.

2.5 Managing and Sharing Risk

2.5.1 Appeals

2.5.2 The consultation proposes that part of the appeals system should be nationalised. The Government will make loss payments direct to local authorities to compensate for loss of income relating to “valuation errors”. Reimbursement will not be made for other changes to rating lists. This change will allow reimbursements to be made where they are experienced rather than the current system of assuming an equal loss to appeals for every authority.

2.6 Tier Splits

2.6.1 The Government intends to continue to set “tier” splits between different tiers of authority, to ensure that risk and reward is shared amongst billing and precepting authorities.

2.6.2 Tier splits can affect the gearing of authorities, i.e. the percentage increase in retained rates arising from growth. Currently, districts are highly geared whilst counties are not. High gearing means an authority gains a significant increase in income from growth and conversely loses income quickly from a decline in business rates. The Government wants to use their splits to help manage the level of risk and reward open to Councils, whilst recognising:

- The importance of providing stability of funding for adult social care services.
- The ability of different tiers to influence growth.
- The services devolved to tiers.

2.6.3 How tier splits are set will influence the level of reward and risk a Council faces. The Government are also asking if two tier areas should be able to determine their own tier splits.

2.7 Safety Net

2.7.1 The consultation confirms there will be a safety net under the new system, although it is anticipated five year resets and nationalisation of appeals should reduce demand for it.

2.7.2 The current safety net is funded through the levy and a top slice of RSG. In the absence of a levy under 100% business rate retention, the Government proposes a top slice to the overall quantum. In order to reflect the increased cash risk in moving from 50% to 100% retention the level should increase. The current safety net level is 92.5%, however, the business rates pilots are trialling 97%.

2.8 Central List

2.8.1 The consultation states that the Government want to provide greater stability and certainty for local government in terms of whether hereditaments should be on the local or central lists. The Government intends to review the contents of the central list. The purpose of the central list will be to provide a home for hereditaments not suitable for the local list, i.e. those spanning several local areas and not primarily located in one area.

3 Report Implications

3.1 Finance and Value for Money Implications

3.1.1 There are no immediate financial implications arising from this report, however, clearly when implemented, 100% business rates will have implications dependant on the final design of the scheme.

The Contact Officer for this report is Chris Brewer (719259).

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

Background Paper No	Author	Nature of Background Paper	Date

Equality Impact Assessment Summary Sheet

Please complete the following table summarised from the equality impact assessment form. This should be completed and attached to relevant Board reports.

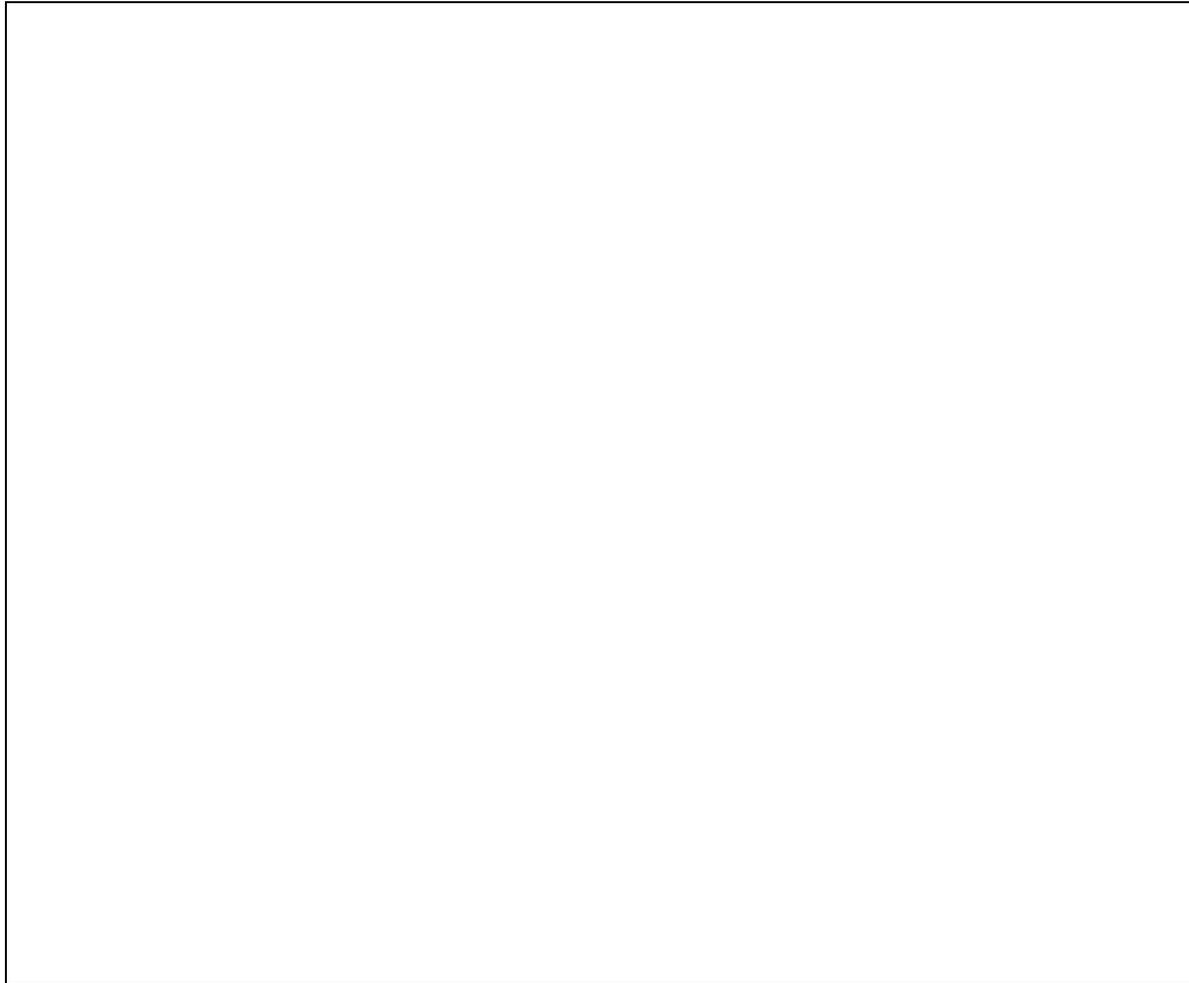
Name of Policy Procedure/Service	
Officer Responsible for assessment	

Does this policy /procedure /service have any differential impact on the following equality groups /people

- (a) Is there a positive impact on any of the equality target groups or contribute to promoting equal opportunities and improve relations or:
- (b) could there be a negative impact on any of the equality target groups i.e. disadvantage them in any way

Equality Group	Positive impact	Negative impact	Reasons/Comments
Racial			
Gender			
Disabled people			
Gay, Lesbian and Bisexual people			
Older/Younger people			
Religion and Beliefs			
People having dependents caring responsibilities			
People having an offending past			
Transgender people			

If you have answered **No** to any of the above please give your reasons below

A large, empty rectangular box with a thin black border, intended for the user to provide reasons for a 'No' answer to the preceding question.

Please indicate if you believe that this document

Should proceed to further Impact assessment

Needs no further action

Risk Management Form

**NORTH WARWICKSHIRE
BOROUGH COUNCIL**

Division

Cost Centre or Service

Risk Ref	Risk: Title/Description	Consequence	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Gross Risk Rating	Responsible Officer	Existing Control Procedures	Likelihood(5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating
Risk Ref	Options for additional / replacement control procedure						Cost Resources	Likelihood (5 = high, 1 = low)	Impact (5 = high, 1 = low)	Net Risk Rating

Completed By:

Date:

RESPONSE TO BUSINESS RATES CONSULTATION

1. What are your views on the proposed approach to partial resets?

The council supports the proposed approach to partial resets. It is important if the system is to provide an incentive for growth that authorities are able to retain a significant proportion of growth at the reset. We also support the proposal that authorities that have fallen below their business rates baseline be brought back to baseline at the reset funded from a proportion of the growth that has been generated. However, in order to aid medium term financial planning and provide a realistic incentive, a minimum retention of 50% should be set. In the event that 50% is not required to bring authorities back to baseline, the additional sum should be retained by the authorities generating the growth via an increased retained percentage.

Should the cost of bringing authorities back to baseline not be covered by the 50%, then the Government should make up the difference.

We believe resets every five years is the right period of time and support the proposal to update the needs assessment at the same time, together with the introduction of transitional arrangements to protect losers from the reset of needs.

2. What are your views on how we should measure growth in business rates over the reset period?

Measuring growth at a partial reset will be difficult as the most up to date information will not be available and revaluations and changes to needs assessments will add a further complication, inevitably this will create winners and losers. Some adjustments will need to be made to baselines to reflect the impact of the revaluation. We support using the figures from the most recent NNDR3 return to calculate growth and this should be calculated against the existing baseline rather than the new one.

3. What are your views on the Government's plans for pooling and local growth zones under the 100% Business Rates Retention System?

The council does not support the Secretary of State being able to designate pools of authorities, pooling should remain mainly voluntary. While there may be exceptional circumstances under which such a power is justified, tight constraints should be placed on the use of this power.

Creating pools "across functional economic areas" will prove difficult because what constitutes a functional economic area is subjective. Indeed many authorities may see themselves as part of more than one economic area.

Whilst local growth zones (LGZ) appear attractive, the Government will need to ensure they do not adversely affect the whole system. Excluding LGZs from resets will reduce the sums available for redistribution to the rest of the country and therefore the amount of growth authorities without LGZs will be able to keep. This could divert even more resources away from the region to London and the South East.

4. How can we best approach moving to a centrally managed appeals risk system?

We welcome the fact that Government will centralise the cost of appeals of valuation errors.

We think the cost of appeals should be funded from the central list income. The cost of appeals which are backdated before the start of the 100% scheme and which would have been funded from central share under 50% retention should be funded separately and not from the top-slice. If the top-slice is introduced, then any under or over recovery in the initial top slice needs to be adjusted in the following year.

Further work should also consider what would happen if the provision for appeals in the multiplier set at revaluation is insufficient.

We also feel that Government should meet the costs of appeals arising from Government policy (e.g. appeals during HS2 construction).

5. What should our approach be to tier splits?

The Government needs to establish tier splits. If areas wish to negotiate different tier splits then this can be done in the knowledge that if agreement cannot be reached there is a national figure to fall back on.

6. What are your views on proposals for a future safety net under the 100% Business Rates Retention Scheme?

We support the figure of 97% being used in the pilot scheme.

7. What are your views on our proposals for the central list?

We support the review as proposed.

Agenda Item No 13

Executive Board

19 June 2017

**Report of the
Deputy Chief Executive**

Local Authority Trading Company

1 Summary

- 1.1 This report requests authority to investigate the establishment of a Local Authority Trading Company (LATC).

Recommendation to the Board

- a That a report is commissioned in line with paragraph 2.7 of the report; and**
- b A supplementary estimate for the sum in paragraph 2.8 is agreed.**

2 Report

- 2.1 The Council continues to face significant financial pressures. The medium term financial plan identifies that savings of £1.45m will be required to be made by 2020/21 from a current budget of £8.36m. This will be a challenging target, given that the Council has already made reductions to its budget of £2.9m since the introduction of Business Rates Retention in 2013/14.
- 2.2 A number of Councils in response to the financial pressures have established an LATC. The LATC, as well as helping to deliver the Council's corporate priorities, can also support the General Fund in various ways:
- Distribution of profits, including dividends;
 - Paying for use of Council support services; and
 - Borrowing from the authority at market rates.
- 2.3 LATCs are bodies that are free to operate as commercial companies, but remain wholly owned by the parent local authority. As trading bodies, they can provide their services to a much wider market than Council departments. If trading is to be done in the wider commercial market with a view to generating a profit, the Council must establish a company and also develop a viable business plan before trading commences.

- 2.4 To ensure a level playing field with the private sector and to avoid breaching state aid rules, the company must not be subsidised by the authority. The authority must recover the full costs of things such as accommodation and support services and charge market rates for any loans it makes to the company.
- 2.5 District Councils that have established LATCs have used them predominantly for housing, but other uses have been for commercial property development, facilities management, cleaning, grounds maintenance, handyman services and also leisure facilities. Our initial thoughts are that an initial function could be around market rent housing.
- 2.6 North Warwickshire has a relatively small private housing rented sector. In accordance with Government requirements over recent years the Council has changed its Lettings Scheme to provide a 'safety net' to ensure that only households in housing need and with limited income are rehoused in social housing. Some households who need their own accommodation do not have the financial resources to purchase their own home. The Housing Division works closely with the Planning Section to develop new affordable homes but this does not meet all needs. If a commercial company was established the Council could act to supplement the current private housing rented sector to increase the supply of properties available for households who do not have other options available to them. The Council would provide accommodation at commercial rates, with an easily accessible, reliable repairs service and longer term tenancies to provide households with the stability which is not always available in the established private rented sector. With changes to welfare benefits and limits on housing benefit available to single people under the age of 35 the Council would also consider opportunities to provide shared accommodation.
- 2.7 There are a number of legal, financial and governance issues the Council would need to be aware of in establishing an LATC. Therefore, if the Board were minded to investigate this further, than an appropriate first step would be to commission a report around the various options and issues. A report could cover:
- Why local authorities set up companies;
 - The different legal structures and the advantages and disadvantages of each;
 - Considerations to be taken into account when setting up and running a company e.g. legal, financial, governance; and
 - Experience elsewhere in local government.
- 2.8 Indications are that such a report would cost around £6,000.

3 Report Implications

3.1 Finance and Value for Money Implications

3.1.1 A supplementary estimate of £6,000 will be needed in order to commission a report.

3.2 Legal and Human Rights Implications

3.2.1 A local authority is able to establish a LATC through powers in Sec 95 of the Local Government Act 20013. In addition, the Localism Act 2011 gives a local authority the power to trade and to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation.

The Contact Officer for this report is Chris Brewer (719259).

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

Agenda Item No 14

Executive Board

19 June 2017

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

Payroll System

1 Summary

- 1.1 The Board is asked to approve a supplementary estimate of £5,970 in 2017/18 in connection with the payroll system.

Recommendation to the Council

That a supplementary estimate of £5,970 be approved.

2 Background

- 2.1 The Resources Board considered the attached report at its meeting on 22 May 2017 in connection with the payroll system. This Board is invited to approve a supplementary estimate of £5,970 in 2017/18.

3 Report Implications

- 3.1 These are set out in the attached Appendix.

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

Agenda Item No 10

Resources Board

22 May 2017

Report of the Assistant Director (Finance and Human Resources)

Payroll System

1 Summary

- 1.1 The report details a requirement for a supplementary estimate in 2017/18.

Recommendation to Executive Board

To approve a supplementary estimate of £5,970.

2 Background

- 2.1 The Council has used Warwickshire County Council to run its payroll since 1 April 2009. The service was provided free of charge initially, as the County Council could run the North Warwickshire payroll within existing resources.
- 2.2 From April 2014, a charge of £2.50 per payslip has been made, to offset some additional marginal costs incurred and as a contribution towards County Council costs.

3 2017/18 Price Increase

- 3.1 On 5 April 2017 notification was received from the County that it intended to increase the charge it makes, from £2.50 to £4.50 per pay slip, with effect from April 2017. Using pay slip numbers from 2016/17, this would give rise to an increase of £11,942 in the budget needed, from £14,927 to £26,869.
- 3.2 The price increase was queried with County Council officers, who explained that the £4.50 per payslip was required to cover the North Warwickshire proportion of payslips, based on a full cost recovery method. They felt that they had informed Borough Council officers verbally of the price increase a number of months earlier, when discussing the new payroll system they are planning to implement in April 2018. The proposed price increase had been understood by Borough officers to relate to the new system only.

3.3 As a result of some discussions with the County Council, they have agreed to reduce the £4.50 per payslip to an interim price of £3.50 per payslip for 2017/18. Using the number of payslips produced in 2016/17, this will increase costs by £5,970.

4 Conclusion

4.1 County officers have reiterated that £3.50 is an interim charge and the charge will rise to £4.50 per payslip from April 2018. Some work is needed to assess whether the current payroll arrangement will remain economically beneficial for this Council, or if there are potential savings from moving to another payroll provider.

4.2 Preliminary work has begun, as significant work would be involved in moving the payroll, and it would need to start as soon as possible to enable a move by April 2018.

5 Report Implications

5.1 Finance and Value for Money Implications

5.1.1 A supplementary estimate of £5,970 will be needed to top up the existing budgetary provision.

5.2 Environment and Sustainability Implications

5.2.1 Additional costs in this area will add to the financial pressures faced by the Council, leading to greater pressure on the delivery of services.

5.3 Risk Management Implications

5.3.1 Looking for more cost effective options may assist with financial pressures.

5.4 Links to Council's Priorities

5.4.1 Work being undertaken contributes to responsible resource management.

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

Agenda Item No 15

Executive Board

19 June 2017

Report of the
Chief Executive

Council Tax Resolution
22 February 2017

1 Summary

- 1.1 This report is to seek guidance from Members on how they wish to proceed with the resolution from Council to report on growth items listed in the proposed amendment by Labour which forms part of the Council Tax resolution for 2017/18.

Recommendation to the Board

The Board is requested to determine how it wishes to progress this matter.

2 Background

- 2.1 At the Council meeting on 22nd February 2017, during the Council Tax debate the Labour Group moved an amendment to the proposed resolution setting out a number of suggested savings and a number of proposals for growth.
- 2.2 The amendment was lost but as part of the final resolution it was agreed “g that reports on the growth items listed in the proposed amendment by Labour including costings and sustainable issues be taken to relevant Boards.”
- 2.3 The growth proposals were to be funded through changes to savings and therefore I have set out in Appendix 1 both proposed changes to savings and proposed one off growth.

3 Current Related Action

- 3.1 I have set out below action that is currently taking place in relation to some of the issues which the growth proposals relate to.

3.1 Community Infrastructure Fund

- 3.1.1 The Council has recently received £224,000 from the Government’s Capacity Fund to help deliver the significant growth pressures the Borough faces. This includes the proper consideration and delivery of infrastructure requirements. Discussions are ongoing with the Homes and Communities Agency about who best to use this money and a report will come to Members in due course.

3.1.2 In addition, a number of Town and Parish Council have supplied 'wish lists' of infrastructure they would like to see in their areas. The Borough Council will seek appropriate contributions from planning applications and continue to work with partners such as the Combined Authority and LEP to gain funding for major infrastructure improvements.

3.2 Polesworth Pavilion

3.2.1 The consultants carrying out the Strategic Leisure Review have been requested to consider related issues within the context of their production of a draft Green Space Strategy.

3.2.2 Details of the Friends of Abbey Green Park Group have been forwarded to the consultants, although it is not known whether there has been any communication between the two parties.

3.3 Reducing Deaths & Serious Accidents on our Roads

3.3.1 The Safer Communities Sub-Committee has agreed a Rural Safety Action Plan which is being used to open up a dialogue with partners, including Warwickshire County Council (the Lead Authority), the Police and Fire & Rescue. Progress is regularly reported to the Safer Communities Sub-Committee. The issue has also been raised with the Police & Crime Commission by the County-wide Police & Crime Panel.

3.4 Funding for a North Warwickshire Lorry Park

3.4.1 The issue of the appropriate parking of HGVs around major employment sites continues, however there are legal issues with requiring independent, sometimes foreign, lorry drivers to park in particular sites.

3.4.2 Civil Parking Enforcement may assist in that (at certain locations) restrictions could be placed on areas which are regularly used for such parking and then enforced directly by the local authorities.

3.5 Daw Mill Residents' Action Group Fund

3.5.1 The Council has worked very closely with the Action Group on the recent Inquiry, agreeing topics to concentrate on in order to reduced costs. A specific request for assistance was made recently by the Group and this has been agreed.

3.6 North Warwickshire Tourism Fund

3.6.1 With the benefit of funding from the European Union, work is currently being undertaken on the production of a Destination Management Plan for the areas of North Warwickshire and Hinckley and Bosworth (a draft has been produced by consultants and it is expected that the finalised document will be available at the end of June 2017). "Rural Tourism" activity is currently being

funded through the LEADER project (£290k is available across North Warwickshire and Hinckley & Bosworth up to 2020). Support is being, and will continue to be, provided to local groups and businesses to help them to access sources of external funding.

3.6.2 The Council has devoted significant resources to help stage the International Women’s Cycle Race for two years, which should help to provide an economic and tourist boost for Atherstone and wider area. The Council is also working with the County Council on a masterplan for Atherstone, using the resources of both Councils and building on policies in the local plan.

3.7 Narrowing the Gap/Improving the Educational Gap in Hartshill & Mancetter

3.7.1 The Community Development Team is currently investigating the needs of people (including young people) living in Mancetter (and Atherstone). This work is being undertaken in conjunction with stakeholders, partners and the communities themselves. The consultation work is additionally to be rolled out to Dordon (in June) and, in conjunction with local partners, Arley and Whitacre.

4 **Conclusion**

4.1 The Board is requested to decide how it wishes to progress this issue.

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

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

APPENDIX 1

Changes to Savings	2017/18 £
Reducing the charging for Borough Care, to take the most vulnerable and poorest pensioners out of paying for Borough Care	-100,000
Reverse the charge for replacement bins	-45,000
Re-instate the full operation of Arley Leisure Centre	-34,950
Reduce Corporate Communication activity, to leave a £10,000 budget	42,830
Reduce the contribution to the Building Maintenance Fund	21,000
Remove the Landscape budget	8,800
Reduce Special Responsibility Allowances for Councillors	10,360
Reduce the Civic Hospitality budget	8,600
Remove Corporate subscriptions to Outside Bodies	5,510
Reduce the provision for training	28,000
Reduce the recruitment budget	12,850
Senior Management Restructure (redundancy costs to be met from earmarked reserves)	340,000
TOTAL	298,000

APPENDIX 1

Growth	2017/18 £
Community Infrastructure Fund – to help communities impacted by housing and industrial development	160,000
Polesworth Pavilion Consultation – to engage with the community on how to rebuild the Polesworth Pavilion	5,000
Reducing deaths and serious accidents on our roads - to tackle speeding and dangerous driving on our roads, including the A51 in Kingsbury and A446 in Coleshill	7,000
Funding for a North Warwickshire Lorry Park - to investigate the possibility of establishing a lorry park in North Warwickshire to reduce the disruption caused by HGV's on our residential roads	25,000
Daw Mill Residents Action Group Fund – to provide funding to the local residents group to protect their local area. The fund will ensure the residents group is able to fully express the views of residents and help protect our community from the damage that would be caused through any plans to develop the site.	30,000
North Warwickshire Tourism Fund – to promote our three market towns of Atherstone, Polesworth and Coleshill to encourage new businesses, visitors and ultimately improve the local economy. This will include using the Bike Race in Atherstone as a platform.	30,000
Kingsbury Development Fund – a fund to support local business and the economy both in Council owned shops and the wider area	20,000
Narrowing the Gap/Improving the educational attainment gap in Hartshill and Mancetter – A fund to provide a youth work project to reduce the educational inequalities students of Mancetter and Hartshill face, when compared with other areas of the Borough. A pilot project that could be rolled out elsewhere in future.	20,000
TOTAL	297,000

Agenda Item No 16

Executive Board

19 June 2017

Report of the Chief Executive and the Deputy Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2016 – March 2017

1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April 2016 to March 2017.

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 end of year position with the achievement of the Corporate Plan and Performance Indicator targets for 2016/17. This is the fourth report showing the progress achieved during this year.

4 Progress achieved during 2016/17

- ... 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 March 2016/17 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)

Green – target achieved (shown as a green star)

5 Performance Indicators

- 5.1 The year end returns are subject to review by Internal Audit and therefore may be subject to changes. Any amendments to the returns will be reported to a future meeting of the board.
- 5.2 The review carried out by Internal Audit for the 2015/16 returns highlighted an error in the status reported to the board for the following annual indicator:

NWLPI 015 (Percentage of new homes built on previously developed land) had been traffic lighted incorrectly as Green due to actual performance being lower than target but should be Red to show the target had not been achieved.

Target 15/16 80% Outturn 15/16 77% Status Red

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 42% of the performance indicator targets have been achieved. The report shows that individual targets that have been classified as red or green. Individual comments from the relevant division have been included where appropriate. The indicators where targets have not been achieved include Environmental Health requests for service, answering information requests and community safety. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

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

Performance Indicators

Status	Number	Percentage
Green	5	42%
Red	7	58%
Total	12	100%

7 Summary

- 7.1 Members may wish to identify any areas that require further consideration where targets are not currently being achieved. The targets not achieved include indicators for environmental health inspections, freedom of information requests and community safety.

8 Report Implications

8.1 Safer Communities Implications

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

8.2 Legal and Human Rights Implications

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

8.3 Environment and Sustainability Implications

8.3.1 Improvements in the performance and quality of services will contribute to improving the quality of life within the community. There are a number of 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 actions and indicators which contribute towards equality objectives including the priorities of creating safer communities, supporting business and employment and promoting sustainable and vibrant communities.

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 countryside and heritage, creating safer communities, responsible financial and resource management, supporting employment and business and promoting sustainable and vibrant communities.

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

NWCP Executive Board 16/17

	Action	Priority	Reporting Officer	Year End	Status	Direction
NWCP 004	To submit final Development Plan documents relating to Development Management Community Infrastructure Levy and Gypsy and Travellers by November 2016	Protecting our Countryside & Heritage	Dorothy Barratt	The Draft Local Plan has been out for consultation with around 2000 representations. Following consideration of these responses a submission version will be prepared and consulted upon.	★ Green	➡
NWCP 005	Whilst continuing to oppose a) HS2 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	Protecting our Countryside & Heritage	Dorothy Barratt	a) Consultation response made to route refinement consultation. Final route to be announced expected in summer 2017. b) Awaiting next stage of Minerals Plan production.	★ Green	➡
NWCP 008	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 drop in for the Emergency centre held on the 20 March. This has highlighted a number of changes to be made to the plans. Revised plans to be circulated and arrangements for a live exercise to held in the new year to be made. .	★ Green	➡
NWCP 009	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 2016	Responsible Financial & Resource Management	Sue Garner	A further update of the MTFS was completed in February 2017. Achieved savings exceeded the target by £9,220.	★ Green	➡
NWCP 010	To continue to implement more efficient ways of working, including exploring opportunities for shared working that may arise, with a view to achieving savings and/or increasing capacity	Responsible Financial & Resource Management	Chris Brewer	Continue to consider opportunities for shared working wherever possible.	★ Green	➡
NWCP 042	To report on the Council's debt and reserves and options for narrowing the Council's capital funding gap by February 2017	Responsible Financial & Resource Management	Sue Garner	The position on debt, reserves and capital was reported to Board by February 2017.	★ Green	➡
NWCP 076	To update the Medium Term Financial Strategy in September 2016 and February 2017, to take account of external funding changes relating to Business Rates	Responsible Financial & Resource Management	Sue Garner	The MTFS was updated and reported to Executive Board in February 2017. The update included the latest position on external funding and business rates.	★ Green	➡
NWCP 078	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 Council has now resolved to be a non constituent Member of the West Midlands Combined Authority. Negotiations for devolution deal 2 will start shortly and officers and Members are attending meetings to try to influence the work of the CA. The Coventry and Warwickshire Joint Committee continues, mainly concentrating on forward planning work around the duty to cooperate.	★ Green	➡
NWCP 080	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 report annually in September	Creating Safer Communities	Richard Dobbs/Steve Maxey	A site survey for the Fillongley equipment has been carried out. Consent from Punch Taverns has been obtained to resite the equipment on their property. Works being arranged to be completed on the 3 May. 17 The Council is funding the works on the basis that the flood group bid for ongoing provision via the County Council. Work at Grendon to provide property protection measures and identify upstream alleviation scheme works is being arranged with the County Council.	★ Green	➡

NWCP Executive Board 16/17

	Action	Priority	Reporting Officer	Year End	Status	Direction
NWCP 092	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, in line with the commitments in the Council's Customer Access Strategy and report on progress by February 2017	Promoting Sustainable & Vibrant Communities	Linda Bird/Steve Maxey/Bob Trahern	The Spring edition on North Talk again carried a lot of very useful information about accessing work, building on events delivered alongside the DWP in October and again in March. There has been a significant number of regional events around the Local Plan, undertaken by the Forward Planning Team in this quarter, informing of proposals and seeking feedback. Council Tax bills were issued during March highlighting where monies collected are spent.	 Green	
NWCP 110	To develop an action plan based on the Economic Review and Impact Assessment and report on progress by March 2017	Supporting Employment & Business	Steve Maxey	The final report has been produced and we are working with partners to take the suggested actions forward. The publication of the draft Local Plan includes a number of key employment sites	 Green	

NWPI Executive Board 16/17

Ref	Description	Section	Priority	Year End Target 2016/17	Outturn 2015/16	April - Mar Performance	Traffic Light	Direction of Travel	Comments
Council Performance Indicators									
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	96	97	 Red		This year has shown a slightly improved performance despite the number of SRs being 7.5% higher than 2015/16.
NWLPI 162	Percentage of Freedom of Information replies dealt with within 20 days	Policy Support	Public Services & Council Tax	100	95%	96%	 Red		771 Freedom of Information requests received. 743 completed within 20 days, 24 over 20 days and 4 outstanding
NWLPI 126 Annual Indicator	% permitted process inspections carried out within scheduled timescale	Env Health (C, L & HP)	Public Services & Council Tax	100	100	100%	 Green		
State of the Borough Indicators									
NWLPI 153	Number of domestic burglaries in the Local Authority area	Policy Support	Crime and Disorder	244	246	266	 Red		The number of domestic burglaries has increased by 20 over the year. Increased activity by cross border offenders has contributed towards this. Some recent arrests have been made for offences in the Atherstone area.
NWLPI 154	Number of violent offences and sexual offences in the local authority area	Policy Support	Crime and Disorder	955	951	1250	 Red		The number of violence and sexual offences being recorded are increasing due to changes in the recording classifications and also due to improved confidence from victims to report offences. A direct comparison with the 2015/16 is difficult to be verified.
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	432	433	490	 Red		The number of vehicle crimes has increased by 57 crimes. Theft from vehicles increased by 12 and theft of vehicles increased by 45. An increasing risk from cross border offenders is considered to be the main reason for the increases.
@NW:NI032	Violence Against the person with injury Offences related to Domestic Violence	Policy Support	Crime and Disorder	132	131	145	 Red		The increases in domestic violence related offences is in a lower proportion than the increases in overall violence.

@NW:NI047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	51	52	62	 Red		The number of ksi's spiked in the months of July, October and January. Work on the local road safety action plan is continuing to help raise concerns about the levels in North Warwickshire. The Police & Crime Commissioner has indicated his support recently for consideration of how road safety is addressed in Warwickshire.
NW: NI 154 Annual Indicator	Net additional homes provided	Forward Planning	Countryside and Heritage	264	251	363	 Green		
NW: NI 155 Annual Indicator	Number of affordable homes delivered	Forward Planning	Countryside and Heritage	79	54	120	 Green		
NW: NI 159 Annual Indicator	Supply of ready to develop housing sites	Forward Planning	Countryside and Heritage	100	153.71%	102.38%	 Green		
NWLPI 015 Annual Indicator	Percentage of new homes built on previously developed land	Forward Planning	Countryside and Heritage	30	77	38	 Green		

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE SAFER COMMUNITIES SUB-COMMITTEE

14 March 2017

Present: Councillor Reilly in the Chair

Councillors Clews, Davis, Jarvis, Jones,
Morson, Phillips, M Stanley, Sweet and A Wright

Apologies for absence were received from Councillor Ferro (substitute Councillor Sweet), Councillor Payne and Councillor E Stanley (substitute Councillor Phillips).

14 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

15 **Minutes of the Meeting of the Sub-Committee held on 6 December 2016**

The minutes of the meeting of the Sub-Committee held on 6 December 2016, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

16 **Corporate Plan 2017-18**

The Chief Executive sought the Sub-Committee's approval for the Corporate Plan Targets for which it was responsible and to agree the 2017-18 Safer Communities Service Plans for the Policy Support and Leisure and Community Development Division.

Resolved:

- a **That those Corporate Plan Targets, as set out in Appendix A to the report of the Chief Executive, for which the Safer Communities Sub-Committee is responsible be agreed; and**
- b **That the Service Plans, as set out in Appendix B to the report of the Chief Executive, be agreed.**

17 Plan to Tackle Fly Tipping Progress Report

The Chief Executive provided Members with a progress report on the action plan for tackling fly tipping across the Borough.

Resolved:

That the report be noted.

18 Consultation Results for a Public Spaces Protection Order in Fillongley

The Chief Executive provided an overview of the results of the formal consultation on considering a Public Spaces Protection Order in Fillongley to restrict access over the highway in Didgley Lane and Bun Lane.

Resolved:

a That Public Spaces Protection Order be approved to restrict access over the highway in Didgley Lane and Bun Lane, Fillongley; and

b That the Chief Executive be authorised to make the necessary arrangements to implement the Public Spaces Protection Order including a suitable method of restricting the access to both lanes.

19 North Warwickshire Improving Road Safety Action Plan Progress Report

The Chief Executive provided Members with an update of progress with the North Warwickshire Road Safety Action Plan.

Resolved:

That the progress made to date with the North Warwickshire Road Safety Action Plan be noted.

20 Progress Report on Achievement of Corporate Plan Targets April – December 2016

The Chief Executive and the Deputy Chief Executive informed Members of the progress with the achievement of the Corporate Plan targets relevant to the Safer Communities Sub-Committee for April to December 2016.

Resolved:

That the report be noted.

21 North Warwickshire Community Safety Partnership Update

The Chief Executive provided Members with an update on recent activities with the North Warwickshire Community Safety Partnership.

Resolved:

- a That the report be noted; and**
- b That a half day meeting be arranged for June 2017 for Members of the Council to consider areas of concern for address with Warwickshire Police.**

22 Coleshill Designated Public Places Order Review

The Chief Executive informed Members of the requirement to review the Designated Public Places Order for Coleshill.

Resolved:

- a That a review of the Coleshill Designation Public Places Order be carried out; and**
- b That a report be brought to the July meeting of the Sub-Committee on the progress with the review.**

David Reilly
Chairman

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE SPECIAL SUB-GROUP 14 February 2017

Present: Councillor Hayfield in the Chair

Councillors Farrell, Jenns, Singh and Sweet

An apology for absence was received from Councillor Humphreys

23 Disclosable Pecuniary and Non-Pecuniary Interests

None were declared at the meeting.

24 Devolution

The Chief Executive presented an update on recent developments in relation to the West Midlands Combined Authority and the Devolution Agenda.

Resolved:

That the report be noted.

25 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.

26 Proposed Structure Change in the Finance and Human Resources Division

The Assistant Director (Finance and Human Resources) reported on a proposed revision to the staffing structure of the Human Resources section, following a recent review of the service. The Sub-Group was asked to agree a suggested course of action.

Resolved:

That the staffing proposals outlined in the report and the revised structure for Human Resources, as set out in Appendix B, be approved with effect from 1 January 2017.

Colin Hayfield
Chairman

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE SPECIAL SUB-GROUP

7 March 2017

Present: Councillor Humphreys in the Chair

Councillors Jenns, Phillips, Simpson, Singh and Sweet

Apologies for absence were received from Councillor Farrell (Substitute Councillor Phillips) and Councillor Hayfield (Substitute Councillor Simpson).

27 Disclosable Pecuniary and Non-Pecuniary Interests

None were declared at the meeting.

28 Pay Policy Statement 2017/18

The Assistant Director (Finance and Human Resources) reported that under Section 38 of the Localism Act 2011 there was a requirement for Councils to have and to publish a Pay Policy Statement agreed by Full Council, and be subject to review at least annually.

Resolved:

That the Pay Policy Statement 2017/18 be adopted.

Chairman

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE SPECIAL SUB-GROUP

23 May 2017

Present: Councillor Hayfield in the Chair

Councillors Farrell, Humphreys, Jenns, Singh and Sweet

Councillor Phillips was also in attendance.

1 Disclosable Pecuniary and Non-Pecuniary Interests

None were declared at the meeting.

2 Exclusion of the Public and Press

Resolved:

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

3 Leisure Facilities – Staff Structure Review

The Assistant Director (Leisure and Community Development) reported further on proposed changes to the Leisure Facilities staffing structure and the Special Sub-Group was asked to consider a suggested course of action. Observations from UNISON had been forwarded to Members and were circulated at the meeting.

Resolved:

- a That the proposal for revising the staff structure within the Leisure Facilities section, as set out in the report of the Assistant Director (Leisure and Community Development), be endorsed and implemented at the earliest opportunity; and**
- b That a further report be submitted to a future meeting of the Sub-Group on the outcome of the formal staff consultation process, the job evaluation process and to consider any further representations from UNISON.**

4 Parking Manager – Streetscape (Contract Extension)

The Assistant Director (Streetscape) reported on proposals to extend the post of Parking Manager within the Streetscape Division by twelve months.

Resolved:

That the post of Parking Manager be extended by twelve months.

Colin Hayfield
Chairman

Agenda Item No 19

Executive Board

19 June 2017

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

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

Agenda Item No 20

Land Issues – Report of the Assistant Director (Streetscape) and the Assistant Chief Executive & Solicitor to the Council.

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

Agenda Item No 21

Implementation of the LGA's Communications Health Check Report. - Report of the Assistant Director (Corporate Services)

Paragraph 1 - by reason of the report relating to staffing matters

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