

**To: Leader and Members of the Executive Board
(Councillors D Wright, Bell, Deakin, Farrell, Gosling, D Humphreys, Reilly, Rose, Simpson and Symonds)**

For the information of other Members of the Council

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

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

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

EXECUTIVE BOARD AGENDA

21 SEPTEMBER 2020

The Executive Board will meet on Monday, 21 September 2020 at 6.30pm via Teams. An email invite will be sent to all Members and the meeting will be live streamed on the Council's YouTube channel, accessible from the home page of the Council's website or at <https://www.youtube.com/user/northwarks>

AGENDA

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

3 **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.

PLEASE BE AWARE THAT THIS MEETING WILL BE TAKING PLACE REMOTELY.

Members of the public wishing to address the Board must register their intention to do so by 9:30 am 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 register by:
e-mail to democraticservices@northwarks.gov.uk or telephone:
(01827) 719221/719226.

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

ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

4 **Budgetary Control Report 2020/21 – Period Ended 31 July 2020 – Report of the Corporate Director - Resources**

Summary

The report covers revenue expenditure and income for the period from 1 April 2020 to 31 July 2020. The 2020/21 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

The Contact Officer for this report is Nadeem Afzal 01827 (719444)

5 **Capital Programme – 2019/20 Final Position – Report of the Corporate Director - Resources**

Summary

The purpose of this report is to update Members on the position of the 2019/20 Capital Programme at the end of March 2020.

The Contact Officer for this report is Daniel Hogan (01827) 719337.

6 **Financial Strategy 2020 – 2025** – Report of the Corporate Director – Resources

Summary

This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2024/25, and suggests a detailed budget approach for the 2021/22 General Fund Budget.

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

7 **Capital Accounts 2019/20** – Report of the Corporate Director – Resources

Summary

The capital accounts for 2019/20 have been prepared. This report shows expenditure for the year, together with the methods of funding used.

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

8 **Annual Governance Statement 2019/20** – Report of the Corporate Director – Resources

Summary

The Annual Governance Statement for 2019/20 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).

9 **Financial Management System Procurement** – Report of the Corporate Director – Resources

Summary

The report considers the procurement of a replacement Financial Management System.

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

- 10 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2019 – March 2020** – Report of the Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April 2019 to March 2020.

The Contact Officer for this report is Robert Beggs (01827) 719238.

- 11 **Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April – June 2020** – Report of the Chief Executive

Summary

This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2020.

The Contact Officer for this report is Robert Beggs (01827) 719238.

- 12 **Planning Consultations** – Report of the Chief Executive

Summary

This report summaries and provides comments on the recent consultations relating to Planning, including the White Paper Planning for the Future.

The Contact Officer for this report is Dorothy Barratt (719250).

- 13 **Request for a Supplementary Capital Scheme – Parking** – Report of the Director of Streetscape

Summary

Further to the Resource Board's consideration of a proposal to fund improvement works to Water Orton car park, this report seeks Members' approval of a supplementary estimate to enable the work to be undertaken.

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

- 14 **Delegation of Powers – unlawful encampments** – Report of the Head of Legal Services and Monitoring Officer

Summary

This report makes a proposal to delegate powers to officers to enhance the enforcement process for dealing with unlawful occupation of land in the Council's area.

The Contact Officer for this report is Clive Tobin (719251).

- 15 **Amendment of Constitution – voting and signature of documents** – Report of the Head of Legal Services and Monitoring Officer

Summary

This report proposes amendments to the Constitution to make further provision for voting at remote meetings and to allow electronic signatures on certain documents required to be served under the Constitution.

The Contact Officer for this report is Clive Tobin (719251).

- 16 **Appointments to Boards and Outside Bodies** – Report of the Head of Legal Services and Monitoring Officer

Summary

This report proposes appointments to certain Boards and Sub-Committees following Councillor Lebrun's cessation of membership of the Conservative Group, together with appointment of members to certain outside bodies.

The Contact Officer for this report is Clive Tobin (719251).

STEVE MAXEY
Chief Executive

Agenda Item 4

Executive Board

21 September 2020

Report of the Corporate Director - Resources

Budgetary Control Report 2020/21 Period Ended 31 July 2020

1 Summary

- 1.1 The report covers revenue expenditure and income for the period from 1 April 2020 to 31 July 2020. The 2020/21 budget and the actual position for the period, compared with the estimate at that date, are given, together with an estimate of the out-turn position for services reporting to this Board.

Recommendation to Council

To consider if any further information is required.

2 Introduction

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

3 Overall Position

- 3.1 Net expenditure for those services that report to the Executive Board as at 31 July 2020 is £203,600 compared with a profiled budgetary position of £237,954; an under spend of £34,354. Appendix A to this report provides details of the profiled and actual position for each service reporting to this Board, together with the variance for the period.

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

3.3 North Warwickshire Local Development Framework

- 3.3.1 The underspend of £32,754 is due to a delay in the timing of the work on the Local Development Plan as a result of Covid-19.

4 Risks to the Budget

- 4.1 The key risks to the budgetary position of the Council from services under the control of this Board are:

	Likelihood	Potential impact on Budget
The Local Plan process is becoming more costly due to the Duty to Cooperate and also needs to be repeated more often as national guidance requires.	High	High
The Emergency Planning budget may be insufficient to cover the costs of any major local emergency.	Low	High

5 Estimated Out-turn

- 5.1 Members have requested that Budgetary Control Reports provide details on the likely out-turn position for each of the services reporting to this Board. The anticipated out-turn for this Board for 2020/21 is £731,530, the same as the Original Budget.
- 5.2 The figures provided above are based on information available at this time of the year and are the best available estimates for this board, and may change as the financial year progresses. Members will be updated in future reports of any changes to the forecast out turn.

6 Report Implications

6.1 Finance and Value for Money Implications

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

6.2 Environment and Sustainability Implications

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

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

North Warwickshire Borough Council

Executive Board

Budgetary Control Report 2020/21 as at 31 July 2020

Description	Approved Budget 2020/21	Profiled Budget July 2020	Actual July 2020	Variance	Comments
	£	£	£	£	
Housing Strategic Service Review	31,550	10,517	10,517	-	
Outreach and Access to Services	136,450	46,652	46,652	-	
Corporate Communications	63,840	15,035	15,035	-	
Community Strategy	130,240	43,413	42,903	(510)	
Emergency Planning	47,450	14,897	13,807	(1,090)	
N.Warks Local Development Framework	319,040	106,420	73,666	(32,754)	Comment 3.3
Support to Parishes	2,960	1,020	1,020	-	
Total Expenditure	731,530	237,954	203,600	(34,354)	

Agenda Item No 5

Executive Board

21 September 2020

Report of the Corporate Director - Resources

Capital Programme – 2019/20 Final Position

1 Summary

- 1.1 The purpose of this report is to update Members on the position of the 2019/20 Capital Programme at the end of March 2020.

Recommendation to the Council:

- a That the Board notes the level of expenditure incurred to the end of March 2020 against the 2019/20 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 2020/21 Capital Programme.**

2 The Current Position

- 2.1 The Council's Revised Capital Programme for 2019/20, approved by this Board in February 2020, is set out in Appendix A. The Appendix also shows the expenditure incurred on each scheme at the end of March 2020.
- 2.2 The Appendix shows total expenditure of £9,072,844. Payments of £6,485,938 have been made within the financial year, with a further £2,586,906 due to be paid in 2020/21. This gives an under-spend of £739,696 against the approved programme of £9,812,540.

3 Outcomes from Capital Expenditure

- 3.1 The £6,485,938 committed on capital schemes in 2019/20 has achieved a number of outcomes, and some of these are highlighted in the following paragraphs.
- 3.2 In terms of housing capital expenditure, programmes to replace windows, doors and roofing, as well as implementing energy saving measures, heating and electrical installations continued in 2019/20, and are scheduled to complete in 2020/21. Adaptations to a number of houses were made which has enabled tenants with disabilities to continue living in their current Council property, although there were an unexpectedly high number of referrals made

in relation to this scheme. There were unplanned urgent works required within the Multi Trade scheme, following the vacation of properties. The programme to replace kitchens and bathrooms has completed.

- 3.3 The remedial work to flats scheme was delayed early in the year and is scheduled to continue in 2020/21, whilst the Housing Vehicle Replacement programme was delayed, and has been delivered in September 2020.
- 3.4 The New Build programme consists of a number of schemes. The schemes at Polesworth and Church Walk, Mancetter are complete, although there are some residual costs still to pay. Work on the flats at Long Street and Coleshill Road in Atherstone has started, following the completion of the tender process. One property has been purchased at Trinity Close, Warton to be redeveloped along with other Council houses on the site and this scheme is scheduled for completion by the end of 2020. Work began on the development at Hatters Arms, Warton prior to the beginning of lockdown, and is also scheduled for completion by the end of 2020. Work at Ansley Common currently has no planning permission.
- 3.5 On the General Fund, Information Services purchased 20 I pads for use by elected members and have carried out improvement works to both the Graphical Information and Trim systems. Towards the close of the financial year, work began on the migration to Office 365. The first phase of the replacement of the Payment Management System is now complete and the planned purchases of servers and core switches for the Infrastructure Development scheme will now take place in 2020/21.
- 3.6 In July 2019 the final payment was made in respect of the new Civica system, which went live in December 2018 to replace the Revenues and Benefits Academy system. The planned replacement of the existing CCTV system was initially delayed in 2019, as approval from the Planning Board was not gained until November, and subsequently delayed again due to the onset of Covid. Some core equipment has been acquired.
- 3.7 Within the Vehicle Replacement programme, a road sweeper was received in December and two further street cleansing vehicles were received in March.
- 3.8 Partner contributions of £90,000 have been paid to Coventry City Council for the project to develop the sub-regional Materials Recycling Facility, with the remainder of this budget to be spent in 2020/21. New lighting has been installed to the roof of the Atherstone Leisure Complex, whilst an unbudgeted roof replacement was carried out to the shops at High Street, Coleshill.
- 3.9 Following the completion of the first phase of the depot refurbishment, the final phase of the project was delayed, due to the need to determine the most cost effective means of carrying out the required demolition work. This scheme is now scheduled for completion during 2020/21.
- 3.10 Within Leisure Services, a further 30 exercise bicycles have been purchased at Coleshill Leisure Centre and sound systems have been acquired for

Atherstone Leisure Complex and the Memorial Hall. Work began on the pitch improvements that have been approved at Boot Hill Recreation Ground, whilst at Bretts Hall Recreation Ground, a new gate and footpath have been installed.

4 Committed Spend in 2020/21

- 4.1 Of the capital programme expenditure of £9,072,844, there are commitments of £2,586,906 which will be required in 2020/21 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 Requests to Carry Forward Budget Provision

- 5.1 Officers are requesting to carry forward budget provision of £701,430, as shown in column (6) of Appendix A.
- 5.2 The Leisure Service is requesting to carry forward the underspend in respect of the Parks and Playing Fields budget. This budget will fund improvements to playing pitches as and when priorities are identified.
- 5.3 The Streetscape service have requested that the underspend on the DDA scheme be carried forward. This will be used partly to fund the toilet replacement programme that is expected to commence in 2020/21.
- 5.4 It is also requested to carry forward funding for the demolition phase of the Depot Works scheme and the underspend relating to the Atherstone Leisure Complex Roof Replacement project.
- 5.5 It is requested to carry forward budgetary provision for the Community Fund Local Partnership and the underspend relating to the Vehicle Replacement Programme.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 Payments made up to the end of March 2020 amount to £6,485,938, with further commitments of £2,586,906 due for payment in 2020/21. In addition, Members are also requested to carry forward schemes totalling £701,430, where expenditure has been delayed in 2019/20.

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).

2019/20 Capital Outturn Position

Appendix A

(1) (2) (3) (4) (5) (6)

Expenditure Proposals	Total 2019/20 Revised Budget	Payments in 2019/20	Commitments due for payment in 2020/21	Total Variation to Revised Budget	Requests to c/fwd schemes into 2020/21
HRA Assets					
Staffing	295,430	290,000		(5,430)	
Heating	585,810	385,425	200,385	-	
Windows and Doors	217,120	207,473	9,647	-	
Energy Saving Measures	944,630	422,919	521,711	(0)	
Disabled Facility Adaptations	180,300	393,600		213,300	
Kitchens & Bathrooms	688,420	697,075		8,655	
Roofing	495,340	393,877	101,411	(52)	
Electrics	1,230,120	987,320	233,952	(8,848)	
Infrastructure Improvements	75,000	-		(75,000)	
Remedial Work to Flats	1,191,150	491,668	377,884	(321,598)	
Alder & Heather Court Flats	303,220	118,308	184,912	-	
Multi Trade Contract	690,650	879,627		188,977	
Housing Vehicle Replacement Programme	205,500	-	205,500	-	
New Build	1,276,700	637,575	639,120	(5)	
HRA TOTAL	8,379,390	5,904,865	2,474,522	(2)	-
General Fund Assets					
Refurbishment of Council Owned Buildings	1,700	-		(1,700)	
Disabled Discrimination Adaptations	270,240	2,921		(267,320)	267,310
High Street, Coleshill	-	7,756		7,756	
Atherstone Leisure Complex - Replacement Roof	75,000	32,820		(42,180)	42,170
Parks and Playing Fields	148,500	28,363		(120,137)	120,130
Leisure Equipment	20,000	23,880		3,880	
Depot Works	100,000	17,194	7,420	(75,386)	62,580
Community Fund Local Partnership	100,000	-		(100,000)	100,000
Materials Recycling Facility	100,000	90,000	10,000	0	
Replacement of Vehicles	291,350	182,102		(109,248)	109,240
Computer Hardware and Software Purchase	56,000	55,114		(886)	
ICT Infrastructure Development	25,400	-	25,400	-	
Payment Management System Replacement	14,500	14,976		476	
Revenues and Benefits System Replacement	13,230	17,500		4,270	
CCTV System	136,700	67,136	69,564	-	
Capital Salaries - Management	17,530	17,530		-	
Borough Care Lifelines	23,000	22,826		(174)	
Decent Homes Grants and Works (Private Sector)	40,000	954		(39,046)	
GENERAL FUND	1,433,150	581,073	112,384	(739,694)	701,430
OVERALL TOTAL	9,812,540	6,485,938	2,586,906	(739,696)	701,430

Agenda Item No 6

Executive Board

21 September 2020

**Report of the
Corporate Director – Resources**

Financial Strategy 2020 - 2025

1 Summary

- 1.1 This report summarises the Authority's Financial Strategy, projects forward the Authority's General Fund budgets to 2024/25, and suggests a detailed budget approach for the 2021/22 General Fund Budget.

Recommendation to Council

- a That the Financial Strategy shown as Appendix A is approved;**
- b That the General Fund budget projections for 2021/22 to 2024/25 be noted; and**
- c That the budget approach, set out in section 8 of this report, be adopted.**

2 Introduction

- ...
- 2.1 The Council has adopted a clear financial strategy over a number of years, and this is attached as Appendix A to this report. There have been some major changes to the financial environment nationally in recent years, with the local retention of business rates, major reductions in Revenue Support Grant, the introduction of a local Council Tax Support scheme in place of a national Council Tax Benefit scheme and changes to the New Homes Bonus Scheme.
- 2.2 A forecast of the General Fund Revenue Estimates has been completed for 2021/22 and the following three years and is set out within the report. The figures are intended to indicate the position in broad terms only. More accurate ones will be produced during the forthcoming estimate process. Updated forecasts for Capital and the Housing Revenue Account will be reported separately, at a later date.
- 2.3 This update to the financial strategy includes the anticipated effect of the Covid 19 pandemic, reflecting the current financial pressures facing the Council. This has focused mainly on the impact in the current year, with only limited updates in other areas, given the economic uncertainty that exists.

3 Review of 2020/21

- 3.1 In order to update the strategy, a number of areas have been revisited, particularly with regard to the impact of the Covid 19 pandemic. The 2020/21 original budget has been adjusted for the following changes:

	£000
Additional service costs – Covid (these include planned savings not realised)	1,712
Estimated grant income - Covid	(1,430)
Reduction in investment income	160
2020/21 pay award settled at 2.75% (2% included in the budget)	82
Reduced financing charges	(48)
Use of earmarked reserves to take out the Covid impact	(442)
Total	34

- 3.2 The anticipated amount to be taken from balances is expected to increase to £624,210, leaving an anticipated opening General Fund balance of £2,055,350 at 1 April 2021. This has been used as the revised starting point for the updated forecast.

4 Budget Projections 2021/22 to 2024/25

- 4.1 The 2021/22, 2022/23 and 2023/24 years have been reviewed and a further year, 2024/25, has been forecast. In completing the forecast, a number of detailed assumptions have been made, which are set out in Appendix A.

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- 4.2 Pay awards of 2% have been included for each year. This is lower than the latest settlement, given the current level of inflation.

- 4.3 Premise and supplies and services costs have only been given an increase in alternate years in this strategy, in order to encourage efficiencies in procurement. These areas will be revisited in the more detailed work carried out as part of the budget process.

- 4.4 Growth has also been included in 2022/23 and 2023/24 for additional refuse and recycling costs, as the current service will have insufficient capacity to accommodate all of the anticipated new properties in the Borough. This is slightly later than in previous forecasts, due to the anticipated efficiencies from moving to a co-mingled collection of recycle.

- 4.5 In general terms, it has been assumed that planned savings not achieved in 2020/21 will be achieved in 2021/22. The exception to this is the reduction in cost anticipated from the prepayment of pension contributions. Given the uncertainty over cash flow during April when the prepayment was required, this was not pursued.

4.6 The forecast has been summarised and is shown in the table below.

	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Spending Requirement	8,789	8,986	9,321	9,871	10,030

Annual spending is expected to increase over the strategy period by £1.241 million

5 Sources of Funding

5.1 Settlement Funding Assessment / Core Spending Power

5.1.1 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. An authority's settlement funding assessment is added to their Council Tax and then reduced by a given percentage to keep within the national control total. From this total the council's business rates baseline and council tax income are deducted to arrive at the level of RSG. In years where an authority's entitlement to RSG is zero, increases to business rates tariffs were planned in order to reduce the amount of income retained by an authority.

5.1.2 The government includes the Settlement Funding Assessment in calculating an authority's Core Spending Power. Our figures for 2020/21 are shown below:

	2020/21
NDR Baseline Funding	1.921
Tariff Adjustment	-
Revenue Support Grant	-
Sub-total - SFA	1.921
Council Tax	4.482
Other Grants	0.815
Total	7.218

The council had previously been informed of a negative RSG sum from 2019/20 onwards. However there was a government decision that negative RSG would not be deducted in 2019/20 or 2020/21. In calculating the Council's core spending power, the government assumed a £5 increase in Council Tax each year.

5.1.3 The government previously stated its intention to hold a new Spending Review in 2019, covering the period 2020/21 to 2022/23. However, with the political turbulence around Brexit, it was decided that a one-year Spending Round would be provided, covering the 2020/21 financial year; and that this would be followed in 2020 by a full Spending Review, reviewing public spending as a whole and setting multi-year budgets.

5.1.4 The Spending Review has not progressed as expected due to the Coronavirus pandemic. Indicative figures are not yet available for 2021/22, so the 2020/21 level of SFA has been assumed for 2021/22 onwards.

5.2 **Business Rates**

5.2.1 The 2020/21 business rates baseline has been used as a starting point for each year of the strategy, with an inflationary increase applied in each year.

5.2.3 Business rates of £0.5 million above the baseline have been included in 2020/21, and for each following year of the strategy. A national re-set of business rates was planned in 2020/21, but has not yet taken place. The £500,000 has been left in the budget for all years, as it has been anticipated that it can be met from the Volatility Reserve.

5.3 **New Homes Bonus**

5.3.1 The New Homes Bonus figures included in the forecast are unchanged from those estimated in February. These reflect the current understanding that the New Homes Bonus scheme will be wound down, with final payments received in 2022/23.

5.3.2 Any alternative funding is likely to be considered as part of the Spending Review.

5.4 **Council Tax**

5.4.1 In looking at the potential income from Council Tax, the likelihood of growth in the tax base is considered. It has been assumed that a proportion of new build will be achieved each year and a growth rate of 1.5% in the tax base has been used in projecting the income from Council Tax.

5.4.2 In recent years, the government has assumed an inflationary increase when taking resource allocation decisions and calculating each authority's ability to spend. Going forward a £5 increase has been used in 2021/22 and in each following year.

5.4.3 Previous decisions to freeze Council Tax have an on-going and cumulative effect on the Council's financial position, and the impact of the decisions to freeze Council Tax in each year since 2011/12 has been calculated. The annual income loss from 2021/22 onwards amounts to £931,525 per annum. Further freezes in Council Tax are not financially viable.

5.4.4 A Collection Fund surplus or deficit arises where there are a different number of properties coming into the tax base than estimated, where collection rates vary from the assumed rate, or as a result of changes to reliefs awarded throughout the year. Any surplus is paid over the following year, with deficits recovered in the following year. The estimated surplus has been reduced to reflect the expected impact of Covid, as more reliefs have been awarded and collection rates are expected to fall.

5.5 Expected Resources

5.5.1 Expected Resources from the sources covered above are set out in the table below:

	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Council Tax	(4,466)	(4,640)	(4,817)	(5,000)	(5,186)
New Homes Bonus	(738)	(462)	(208)	-	-
RSG	-	-	-	-	-
Business Rates	(1,921)	(1,960)	(1,999)	(2,039)	(2,080)
Business Rates - Additional	(500)	(500)	(500)	(500)	(500)
Collection Fund Surplus	(98)	(3)	(23)	(36)	(38)
Total	(7,723)	(7,565)	(7,547)	(7,575)	(7,804)

5.5.2 Even with Council Tax increases in line with government assumptions, overall resources are only expected to increase by £81,000 over the life of the strategy (see table above), due to uncertainties around business rates income and new homes bonus. This is significantly less than the expected increase in spending requirement of £1.241 million over the same period (see paragraph 4.5).

5.5.3 This level of income would require the use of balances set out in the table below. As this level of use is unsustainable, a savings plan is required, and this is shown in the table. Savings will need to be found in line with the plan to ensure there are sufficient balances at the end of 2024/25.

	2020/21 Revised £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Use of Balances	1,066	1,421	1,774	2,296	2,226
Savings 2021/22		(700)	(700)	(700)	(700)
Savings 2022/23			(800)	(800)	(800)
Savings 2023/24				(800)	(800)
Use of earmarked reserves	(442)	(300)			
Revised Use of Balances	624	421	274	(4)	(74)

Balances C/fwd	2,056	1,635	1,361	1,365	1,439
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5.5.4 Given the uncertainties that currently exist, it is proposed to use some earmarked reserves in 2020/21 and 2021/22 to allow the situation to settle, so there is more certainty around the Council's ongoing revenue position. The use in 2020/21 will take out the expected in year impact of Covid, whilst use in 2021/22 removes the need to increase the immediate savings target of £700,000. This will smooth the need for savings but will not remove them unless additional funding is obtained.

6 Savings

- 6.1 At this stage, an additional savings target has not been added in 2024/25, although this will be revisited during the detailed estimate process. The balances of £1.439 million at the end of 2024/25 would be sufficient. This increases the savings target to £2.3 million over the life of the strategy, which equates to around 8% of the net budget per annum.
- 6.2 The authority has already made significant reductions in its budget over recent years, taking out £5.5 million since 2011/12. Increased efficiency, streamlining the provision of services and some income generation has enabled the impact on front line services to be minimised. Taking out a further £2.3 million will be extremely challenging, and will undoubtedly impact on the range and level of services that the Council is able to offer. Work is already in hand for identifying options for reducing net expenditure for both 2021/22 and subsequent years.
- 6.3 Keeping to the strategy is dependent on savings being achieved to target in each of the years covered. The difficulty in finding savings has become greater over time, and this will only increase in the future. However if savings are achieved in line with the strategy, annual income will cover expenditure, reducing the potential need for further savings.

7 Potential Risk Areas

- 7.1 In preparing this forecast, a number of assumptions have been made and these have been set out in sections 4 and 5 of this report. Clearly, should these assumptions not materialise, there will be an impact on the figures. The main risk areas for this forecast are:
- **Settlement Funding Assessments** – no indicative figures have been provided for 2021/22 onwards. If resources in those years vary in any significant way from resources in 2020/21, then there will be an impact on the current forecast.
 - **Business Rates** – the local retention of business rates brought uncertainty around the level of funding to be received on an annual basis. Some additional business rates have been retained by the Council to date, although successful rating appeals are an ongoing risk, with HS2 only adding to the uncertainty and potential impact on the Council's income.
 - **New Homes Bonus** – The strategy assumes the final year of the scheme will be 2022/23, so future risks relate only to the next 2 years.
 - **Investment Income** – current low interest rates have been used to project investment income. Unless they continue for longer than expected, further reductions will be a limited risk.
 - **Salary Increases** – union pressure is for a higher pay award to address the erosion of real pay. Higher pay awards than included in the forecast would have an impact, given the relative size of the payroll.
 - **Council Tax Support** – increases in take up will directly increase the costs of the Council. There are also risks around the non-collection of

Council Tax, from those who have not previously been required to contribute.

- **Reduced Income** –the risk of an increased loss of service income is a possibility in the current economic climate.
- **Growth in the Borough** – if new homes and estates are delivered in line with expectations, there will be a significant impact on some Council services. Some funding has been included in the forecast for refuse and recycling, but the impact on services such as grounds maintenance has not yet been considered.
- **Council Tax Income** – a decision to freeze Council Tax will reduce the resources available to the Council on a permanent basis.

7.2 The potential impact of an improved or worse position for all four years of the forecast are shown in Appendix B (savings of £2.3 million are included in each of the options). The increased use of balances / contribution to balances are summarised below:

Year	Worse Case £000	Most Likely Case £000	Best Case £000
2021/22	1,019	421	229
2022/23	880	274	(11)
2023/24	611	(4)	(408)
2024/25	548	(74)	(478)

Changes in a small number of areas can materially impact on the expected use of balances in all of the years covered. These could affect the level of savings required either favourably or adversely.

7.3 If the best case scenario occurred, the council would be able to reduce the savings currently included within the strategy from £2.3 million to £1 million and achieve the same level of balances at the end of 2024/25.

7.4 If the worst-case scenario occurred there would be an additional call on balances. As the balances at 1 April 2021 are expected to be £2,055,354, the Council could manage the worst case in 2021/22 with an increase of £400,000 in earmarked reserves. However further savings of £0.8 million would be needed in the following years to ensure that balances were at an acceptable level at the end of 2024/25. Finding the additional savings earlier would certainly delay the need to find further savings and could mean a reduction in the total savings required during the life of the strategy.

8 Budget Approach 2021/22

8.1 As mentioned earlier, a number of areas have already been identified as potential savings, and these are in the process of being reviewed. Any delay in finding savings will put pressure on the financial viability of the Council.

- 8.2 A firm stance should be taken in order to limit the level of growth approved in 2021/22, as any further expenditure will increase the need to draw from balances. Only growth that cannot be statutorily avoided, makes a significant contribution to moving forward the Council's priorities, or would expose the Council to an unacceptable level of risk should the expenditure not be incurred, should be approved. A prioritisation exercise on growth based around these three main criteria should be used.
- 8.3 Whilst the use of earmarked reserves is a temporary solution, the use of some earmarked reserves in 2020/21 and 2021/22 is recommended, to allow the financial position to settle. This still leaves the Council with a significant savings target of £700,000 to meet in 2021/22.

9 Conclusion

- 9.1 The Council could be faced with savings ranging from £1 million to £4.7 million. The updated strategy includes a savings requirement of £2.3 million over the next four years. Given the savings already made over recent years, the Council will not be able to achieve the future savings required without impacting on current service provision.
- 9.2 It is unlikely that all of the main risk areas will materialise at the same time, in any of the years highlighted above. The main areas of concern included in the risks around the financial position of the Council, are that of Council Tax, Business Rates and Service Income.

10 Report Implications

10.1 Finance and Value for Money Implications

10.1.1 As detailed in the body of the report.

10.2 Environment and Sustainability Implications

10.2.1 Continuing the budget strategy will allow the Council to manage its expected shortfall in resources, without disruption of essential services.

10.3 Equality Implications

10.3.1 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

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

MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2024/25**1 Introduction**

- 1.1 The purpose of the Financial Strategy is to set out the broad financial framework that the Council will operate within, during the next four financial years. A four-year period has been used, as this permits reasonably robust financial forecasts to be produced. A longer period would require more speculative forecasts. However changes to the external funding regime have increased the uncertainty over the resources available to the Council during the strategy period.
- 1.2 By using a medium term approach, the Council can ensure that financial and service decisions can be taken in a structured and proportionate way. Short-term policies are not adopted without identifying what the medium term implications of those decisions are.
- 1.3 The strategy covers all revenue and capital activity, although some individual sections may be specific to a particular type of spending only. Areas covered are:
- **General Fund Activities** – these are the majority of the day to day activities carried out by the Council, such as refuse collection and the payment of benefits
 - **Housing Revenue Account Activities** – these relate to the management and maintenance of the Council's housing portfolio
 - **Capital Spending** – this is spending that provides benefits over a period of 12 months, such as the purchase of vehicles or equipment

2 Linking Resources With Corporate Priorities

- 2.1 The Council has identified a number of priorities and these are given in its Corporate Plan. In arriving at the priorities, external influences are taken into account, including the aims of the Local Strategic Partnership (LSP). Other factors such as legislative changes and reward incentives are also considered.
- 2.2 The Corporate Plan and associated Financial Strategy are reviewed and updated on an annual basis, before the start of each new financial year. A further review of the Financial Strategy is also carried out part way through the year, to ensure that changing circumstances are taken into account in carrying out the full review.
- 2.3 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add known unavoidable spending pressures. This is then measured against the projection of available funding to determine affordability. The package of measures required to balance the two form the financial strategy for the budget year.

3 Economic Forecast

3.1 Both general inflation and specific areas of increase affect the spending of the Council. There are two main indices for measuring household inflation: the Consumer Price Index (CPI) and the Retail Price Index (RPI). The Council reviews these indices when it is assessing the level of inflation to be included in its financial strategy. However the Council may choose to use a lower general rate in some areas, where it wishes to encourage efficiencies.

3.2 Specific areas of increase are considered separately and individual rates of increase used to reflect prevailing market conditions, where they are significantly different to the general rate of inflation. These are assessed on an annual basis and depending on economic conditions, may include:

- Employee costs – pay awards and pension costs;
- fuel and energy costs;
- investment rates.

3.3 The assumptions used in the latest forecasts are given below:

Cost / Income Type	2021/22	2022/23	2023/24	2024/254
Pay awards	2%	2%	2%	2%
Superannuation rates	20.1%	20.1%	20.85%	21.6%
Agency staff	2%	2%	2%	2%
Business Rates	2%	2%	2%	2%
Utilities	2%	2%	2%	2%
Other premise costs	2%	0%	2%	0%
Supplies and services	2%	0%	2%	0%
Rent Allowances	2%	2%	2%	2%
Rent Rebates	3%	3%	3%	3%
Housing Benefit Administration Grant	-10%	-10%	-10%	-10%
Increase in NDR	2%	2%	2%	2%
Council Tax	£5	£5	£5	£5
Income	2%	2%	2%	2%

4 Demographic Factors

4.1 Demographic factors can affect the Council's planning in a number of ways:

- Changes in the number and value of households can affect the tax base used in calculating Council Tax
- The characteristics of the population, and households, influences the type of services provided
- The level of demand for services can be affected by changes in either of the above.

4.2 The population of the Borough currently stands at 64,070 and has been subject to limited change over recent years. The Financial Strategy has assumed only limited impact as a result of changes, around the collection of domestic refuse and recycling.

- 4.3 The Council Tax Base has remained fairly consistent over a number of years, with only small increases. Following a review of the potential new build in the area identified in the Core Strategy, the Financial Strategy has assumed an increase of 1.5% in the tax base on an annual basis, although there will be some movement depending on the Council Tax Support scheme adopted.

5 General Fund Activities

5.1 Settlement Funding Assessment

- 5.1.1 The government decides on the level of funding to be allocated to local authorities for their General Fund activities, and then allocates this funding between authorities using a formula calculation called the Settlement Funding Assessment.
- 5.1.2 The Settlement Funding Assessment is made up of two elements: Revenue Support Grant and Business Rates. As the Business Rates element is fixed, other than for inflationary increases, any reduction in the Settlement Funding Assessment is taken out of Revenue Support Grant.
- 5.1.3 Figures are not yet available for 2021/22 onwards, so our latest projection has assumed the same assessment as that for 2020/21. A Fair Funding Review is currently in progress, so the position going forward may change.

5.2 Business Rates

- 5.2.1 From April 2013, local authorities retain a proportion of the business rates they collect. The Secretary of State announced a baseline funding level of £1.921 million for North Warwickshire for 2020/21. As we are required to pay a business rate tariff of £15.346 million in 2020/21, we need our local share of business rates to come to £17.267 million, in order to achieve this level of funding. No announcement has been made on the baseline funding level for 2021/22, so 2020/21 levels have been assumed going forward, with an annual increase for inflation.
- 5.2.2 Business rates, including the tariff payable, will be increased by inflation each year. If the business rates in our area fall due to business closures or rating appeals, we may not achieve our baseline funding level. This would impact on our financial forecasts, reducing the level of balances we hold. The operation of a national safety net system would provide provision when the Authority's baseline funding fell by 7.5%. If additional business rates are collected, they are allocated 50% to the government, 10% to Warwickshire County Council, and 40% to this Council. We are required to pay a levy of 50% on the additional rates retained by this Council.
- 5.2.3 The Council chose to become a member of the Coventry and Warwickshire Business Rates Pool. This Local Pool agreed a safety net provision at a 5% loss of baseline funding, which would benefit the Council in the event that business rates fall. If business rates increase, the Pool will have a lower levy rate than the Council, of around 10%, allowing the Pool to keep more of the increase.

5.3 Council Tax Base

- 5.3.1 The Council's tax base reduced significantly in 2013/14, following the introduction of a local Council Tax Support scheme, in place of the previous national Council Tax Benefit system. The scheme requires some residents to pay council tax, who previously had no liability. The Government offered councils a transitional grant in 2013/14, if they restricted the maximum payment by previous Council Tax Benefit claimants to 8.5% of their council tax bill. The Council opted to take the transitional grant and also revisited the collection rate, which was revised downwards to 98%.
- 5.3.2 The transitional grant was for 2013/14 only, so the Council needed to agree a Council Tax Support scheme for 2014/15 onwards. The decision was taken to retain the maximum payment required at 8.5% in 2014/15 although there was no grant to offset the cost to the Council. This decision has been revisited on an annual basis since then and has remained at 8.5%.
- 5.3.3 Although the Council usually exceeds its target collection rate, a small margin for non-collection allows some room for other variations during the year. Any additional funds are then distributed in the following year. Additional funds are expected to reduce due to the impact of Covid.

5.4 Council Tax

- 5.4.1 The Council attempts to balance the need for retaining an affordable council tax, with the retention of services. This is increasingly difficult with current financial constraints, including the pressures of government funding levels, limited income raising opportunities, economic pressures and rising expectations. Council policy is to keep council tax rises at, or below, inflation.
- 5.4.2 Recent decisions to freeze council tax have had an on going and cumulative effect on the Council's financial position. Grant funding received towards tax freezes have generally been time limited, whereas the tax base is reduced permanently. The current forecast has assumed a council tax increase of £5 per annum in 21/22 and the following three years.
- 5.4.3 In 2019/20 the government brought in a requirement for proposed increases above the maximum increase of 2% (or £5 for District Councils) to be subject to a local referendum. This level is still to be confirmed for 2021/22.

5.5 Fees and Charges

- 5.5.1 The Council has tended to increase fees and charges for inflation, on an annual basis. Any other changes have tended to be on an ad hoc basis. Demand for some services is expected to change going forward, as a result of changes in the economic situation. This will be taken into consideration in the review of fees and charges during the detailed work in the 2021/22 budget.
- 5.5.2 The ability to generate income from other areas continues to be reviewed as part of the ongoing savings exercise.

5.6 Growth Areas

5.6.1 Given the Council's existing financial constraints, a strong approach is taken with growth areas. In general terms, growth will be allowed if one of the following conditions is met:

- **Statutory Need.** Where the Council needs to spend resources in order to comply with statutory requirements
- **Invest to Save.** Where services can demonstrate that an initial outlay will generate additional income or reduced costs in the future, an advance from an earmarked reserve held for this purpose will be made.
- **External Funding.** Services are encouraged to look for external funding to support service development and enhancement. However the impact of ongoing costs against potential one off funding is always considered.
- **Efficiencies.** The Council looks for efficiencies in service provision, to contribute to savings targets, or reallocate resources to other priorities.

5.6.2 The Council may use financial savings identified to fund general growth areas, where these are not needed to maintain balances. Growth bids are assessed according to their contribution to Council priorities, the ability to obtain external funding and their contribution to the management of risk.

5.7 Approach to Savings

5.7.1 The Authority includes the requirement to find savings in its financial strategy. However whilst unidentified savings are built into financial projections over the medium term, only identified savings are included in the detailed budget put forward for approval for the coming financial year. This is part of the management of financial risks, and gives greater assurance around the approved budget, and the medium term position.

5.7.2 As the council looks for specific savings in advance of setting the budget for the following year, work on finding savings for 2021/22 will be carried out in 2020 during the production of that budget. Only those found will be included. Where possible the savings will be brought in earlier, during 2020/21, as this will give a beneficial impact on balances. The savings target for 2021/22 is £700,000. If the savings target is not found, this will be reflected in the financial strategy for future years.

5.7.3 Any proposed changes or reductions in services will be subject to equality impact assessments to identify if there is any scope for adverse impacts.

5.8 General Fund Balances

5.8.1 One of the Council's aims is to have a balanced budget. However this does not require a balanced budget in each financial year, the aim is to ensure that services are adequately funded over the medium term.

5.8.2 The current policy for general balances is to retain minimum working balances of £1.4 million on the General Fund. The risk assessments, which support these requirements, are updated on an annual basis as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks.

5.9 Budget Process

- 5.9.1 The budget process operates throughout the year, with the budget strategy updated twice per year. The financial forecast produced in September provides the context for the more detailed four year budget approved in February, as part of the Council Tax Setting process.
- 5.9.2 In the event of potentially significant changes to the Council's financial position, the Corporate Director - Resources will assess whether additional updates of the financial strategy are needed.

5.10 Budget Consultation

- 5.10.1 The Council consults on how it spends its resources on an annual basis. A meeting with business ratepayers is held every year, whilst other ad hoc consultation is carried out as required.

6 Housing Revenue Account

6.1 General Balances on the Housing Revenue Account

- 6.1.1 The Council aims to have a balanced budget on the Housing Revenue Account. Again this does not require a balanced budget in each financial year; the aim is to ensure that services are adequately funded over the medium term.
- 6.1.2 The current policy for general balances is to retain minimum working balances of £750,000 on the Housing Revenue Account. The risk assessment, which supports this requirement, is updated annually as part of the budget process. This allows detailed consideration of changing economic conditions and other potential high risks. Given the greater risks that will be faced by the council as a result of welfare reform, an increased requirement to hold general balances is expected.

6.2 Housing Business Plan

- 6.2.1 To ensure the continued management and maintenance of North Warwickshire's housing stock, both Members and officers need to take decisions on a long term basis. For example, we need to build up surpluses to fund the capital expenditure needed later in the Business Plan. The impact of decisions taken is fundamental to the sustainability of the Business Plan.
- 6.2.2 The Business Plan currently assumes that the authority continues to increase rents in line with government policy. This includes the return of national rent policy to assumed rent increases of CPI + 1% per annum.
- 6.2.3 Further detail around the management and maintenance of the Council's housing stock is given in the Housing Business Plan.

7 Capital Programme

7.1 Capital Funding

- 7.1.1 The Council projects its expected resources over both a three and ten-year period. These include receipts from the sale of council assets, revenue funding used to support capital expenditure and anticipated contributions from third parties. Funding from the government is also considered. Specific grant is received towards the cost of Disabled Facility Grants.
- 7.1.2 Given its restricted resources, the council prioritises capital schemes, to enable it to carry out all essential spending.
- 7.1.3 There are still some funding issues which need to be addressed in the longer term, and other funding options will be considered in future updates of the Capital Strategy. The Capital Strategy gives further detail on the allocation of capital funding.

7.2 Interaction between Revenue and Capital Spending

- 7.2.1 Many capital schemes will impact on the revenue budget. This may be due to ongoing maintenance costs which are incurred following the acquisition of an asset, or may be related to the cost of repaying loans taken out to finance capital expenditure, or the loss of investment income if internal loans are used.
- 7.2.2 In assessing bids put forward for inclusion in the capital programme, the impact of capital spending on the revenue budget is examined.

8 Efficiency Agenda

- 8.1 All councils are required to demonstrate Value for Money. The Council doesn't set targets for individual services, as it recognises that efficiency savings can take longer to generate in some services.
- 8.2 Officers look for efficiencies in order to assist in achieving the savings required as part of the financial strategy. In addition systems thinking reviews are carried out on individual services and procurement activity is monitored.

9 Treasury Management

- 9.1 This is the management of the Local Authority's cash flows: its banking, money market and capital market transactions. The Council has adopted a Treasury Management and Annual Investment Strategy, which sets out a framework for its activity in these areas. The current Strategy aims to minimise risk by putting greater emphasis on security and liquidity. Once risk has been minimised, the Council will maximise performance wherever possible, within existing controls.
- 9.2 As highlighted in the Treasury Management Strategy, the Council has a borrowing requirement of £61.967 million. The HRA has external borrowing of £48.489 million, whilst the General Fund has internal borrowing of £13.478 million. Internally borrowed funds come from earmarked reserves held for future

revenue and capital spending. As these resources are used, there will be a need for further external borrowing.

- 9.3 The government previously imposed a cap on an authority's total housing borrowing, which has now been removed. The Authority was below the cap, so investment and borrowing decisions were based on affordability within the HRA. This approach remains unchanged.
- 9.4 The Council has internal funds in excess of those needed to cover the internal loans. These are invested on the money market and generate investment income for both the General Fund and the Housing Revenue Account. The cash fund portfolio is managed internally, with advice from Link Treasury Services, the Council's treasury management consultants.

10 Earmarked Reserves

- 10.1 The Council holds a number of reserves that have been earmarked for specific revenue and capital purposes. Earmarked reserves are used to hold:
- Funding received in advance for specific initiatives;
 - Funding set aside for specific services, where the timing of demand can vary;
 - Funding set aside for the future replacement of assets or other capital expenditure;
 - Funding held to enable the Council to manage specific risks; and
 - Funding where work has been delayed.
- 10.2 For the majority of earmarked reserves, there is little or no risk to the financial standing of the Council. Reserves set up to manage timing differences or hold funding received in advance match expenditure to the income available. Reserves held to allow risks to the base budget to be managed are estimated using the best available information. A review of earmarked reserves is planned, so that previous priorities can be reassessed in light of the current financial position.

11 Risk Management

- 11.1 The Council has a Risk Management strategy in place which it uses to manage all of its risks, including financial risks.
- 11.2 A system of risk management has been established, which is operated by all services. This ensures that if there are significant changes in the level of risk to the Council from new legislation, or policy changes, they are considered and reported to Board. Any significant increase in financial risks will therefore be addressed during the year, if this is necessary.
- 11.3 In addition, the financial risks of individual services are considered during the budget preparation process by Service Boards, along with the related budgets. Annual risk assessments are undertaken on the level of balances for the General Fund and the Housing Revenue Account and considered at the same time as the budgets. This ensures that all current issues are included.
- 11.4 To assist with highlighting the impact of the potential risks, the major risks are assessed on differing risk levels, and these are included in reports to Board.

APPENDIX B

Potential Use of Balances

Best Case

	2020/21 Revised £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Estimated Use of Balance	624	421	274	(4)	(74)
The introduction of a replacement scheme for New Homes bonus				(100)	(100)
Increased tax base (new homes) (0.5%)		(22)	(45)	(69)	(94)
Increase in investment income			(80)	(80)	(50)
Sustained improvement in planning income		(50)	(50)	(50)	(50)
Collection Fund Surplus doesn't fall as expected		(90)	(80)	(75)	(80)
Additional staff vacancies		(30)	(30)	(30)	(30)
Potential Use of / (Cont to) Balances	624	229	(11)	(408)	(478)
Balances at Year End	2,056	1,827	1,838	2,246	2,724

Worst Case

	2020/21 Revised £000	2021/22 Estimate £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000
Estimated Use of Balance	624	421	274	(4)	(74)
Business rate income at safety net		144	147	150	153
Additional 1% on the pay award in 2021/22		112	114	117	120
Additional recycling costs		50	50	50	50
Planning income is not sustained		100	100	100	100
Reduction in service income		100	100	100	100
Inflation is 1% higher than assumed		92	95	98	99
Potential Use of / (Cont to) Balances	624	1,019	880	611	548
Balances at Year End	2,056	1,037	157	(454)	(1,002)

Agenda Item No 7

Executive Board

21 September 2020

**Report of the Corporate Director -
Resources**

Capital Accounts 2019/20

1 Summary

- 1.1 The capital accounts for 2019/20 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 2019/20 be approved.

2 Capital Expenditure and Financing

- 2.1 Capital expenditure incurred by the Council in 2019/20 totalled £7,186,205.20 of which £700,267 related to disabled facilities grants received from the government and passed onto the Heart shared service project, leaving £6,485,938.20 spend on council assets. In addition, an amount of expenditure relating to 2018/19, totalling £238,385.68 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 use of resources has been considered with a view to maximising the total resources available to the Council going forward. There are funding conditions attached to some sources of funding and these conditions have prevented the use of additional Right to Buy receipts held for the provision of new build housing properties in 2019/20.
- 2.3 Grants and contributions have been used for the schemes they relate to. Other sources of funding were also used, which include income from earmarked reserves previously approved by Members, revenue contributions to capital expenditure and capital receipts. Capital creditors 2019/20 are amounts relating to the 2019/20 financial year, which were not paid before the year end and therefore will not be financed until 2020/21.

- 2.4 The funding for the total expenditure of £7,424,590.88 is set out in the table below.

	HRA	General Fund	Total
Capital Receipts	903,106.36	236,379.34	1,139,485.70
Grants and Contributions	23,471.77	701,241.77	724,713.54
Revenue / Reserves	4,789,502.57	477,682.95	5,267,185.52
Capital Creditors 2019/20	223,622.60	69,583.52	293,206.12
Total	5,939,703.30	1,484,887.58	7,424,590.88

- 2.5 The 2019/20 accounts will include these methods of funding. The accounts of the Authority will not be audited until October. 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 2019/20 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 Nigel Lane (719371).

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

Agenda Item No 8

Executive Board

21 June 2020

**Report of the
Corporate Director - Resources**

**Annual Governance Statement
2019/20**

1 Summary

- 1.1 The Annual Governance Statement for 2019/20 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.
- 1.2 The Code of Corporate Governance has been reviewed and updated for 2020/21.

Recommendation to the Council

- ...
- a That the Code of Corporate Governance 2020/21, attached as Appendix A, is approved; and**
- ...
- b That the Annual Governance Statement for 2019/20, attached as Appendix B, is approved.**

2 Background

- 2.1 The Council has an approved Code of Corporate Governance, consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of that code is available on our website. The code has recently been reviewed, and a revision for 2020/21 is included within the report.
- 2.2 The Annual Governance statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations.
- 2.3 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, 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 Internal Audit section; however a specialist contractor is used for IT audits where necessary. All of these also contribute to internal audit within the Authority.
- 3.2 Public Sector Internal Audit Standards require an external assessment of the internal audit service at least every five years. An external assessment was undertaken in November 2017 and identified some areas where improvements could be made. All recommendations were put in place during 2018/19.

4 Code of Corporate Governance 2020/21

- 4.1 An internal audit of Corporate Governance was carried out in 2019/20. Whilst a satisfactory level of assurance was given to the council's arrangements around corporate governance, the audit highlighted the need to review the Council's Code of Governance. This has been completed and is attached as Appendix A.
- 4.2 The code sets out how the Council meets the following principles:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
 - Ensuring openness and comprehensive stakeholder engagement;
 - Defining outcomes in terms of sustainable economic, social and environmental benefits;
 - Determining the interventions necessary to optimise the achievement of intended outcomes;
 - Developing the Council's capacity, including the capability of its leadership and the individuals within it;
 - Managing risks and performance through robust internal control and strong public financial management; and
 - Implementing good practices in transparency, reporting and audit to deliver effective accountability.
- 4.3 The main principles are split into a number of supporting principles, with examples of how the Council currently demonstrates compliance with them.

5 2019/20 Annual Governance Statement

- 5.1 The Statement (Appendix B) presented to Members this evening for approval provides some narrative around the governance arrangements in place during 2019/20.
- 5.2 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 Leisure Services and Refuse and Recycling. Progress against the 2019/20 Corporate Governance Action Plan is included within the Annual Governance Statement.
- 5.3 Responsibility of monitoring against corporate activity has also been assigned to individual boards, for example, the Resources Board considers Risk Management and Treasury Management activity and the work of Internal Audit, whilst the Executive Board considers the outcomes of the work of the external auditors.
- 5.4 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.
- 5.5 In reviewing the corporate governance arrangements, a number of areas have been highlighted for further action. These are included within the Annual Governance Statement.
- 5.6 Once approved by this Board, the Statement will need to be signed by the Leader of the Council and the Chief Executive.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 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.

6.2 Legal Data Protection and Human Rights Implications

- 6.2.1 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.
- 6.2.2 Under the requirements of the General Data Protection Regulation and the Data Protection Act 2018 there are new requirements for the processing of

personal information. One of the new requirements is to appoint a Data Protection Officer who has responsibility for overseeing compliance with the new legal requirements. This role is being carried out by the Corporate Director Environment.

6.3 Environment and Sustainability Implications

6.3.1 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.

6.4 Human Resources Implications

6.4.1 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.

6.5 Risk Management Implications

6.5.1 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.

6.6 Equalities Implications

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

6.7 Links to Council's Priorities

6.7.1 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 CODE OF CORPORATE GOVERNANCE 2020/21

North Warwickshire Borough Council is committed to the principles of good governance. This local Code of Corporate Governance has been developed in accordance with and is consistent with the Delivering Good Governance in Local Government Framework (CIPFA/Solace).

What is Corporate Governance?

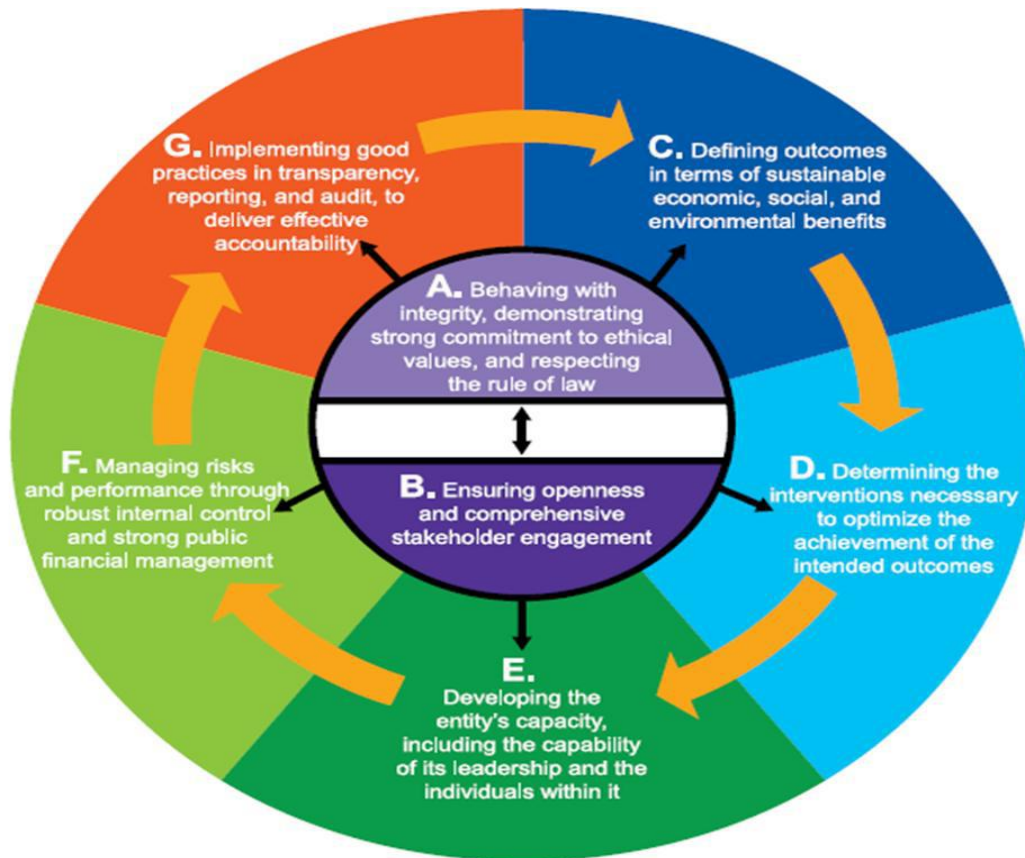
Governance is about how the Council ensures that it is doing the right things, in the right way, and for the right people, in a timely, open, inclusive, honest and accountable manner.

Corporate governance is made up of the systems, processes and values by which councils are directed and controlled and through which they are accountable to and engage with their communities. Good governance is crucial as it leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users. It also enables an authority to pursue its aims effectively whilst controlling and managing risk. This code sets out that commitment and how we evidence it.

Principles of Good Governance

This code is based on guidance provided to all UK local authorities which are centred on seven core principles designed to underpin the governance arrangements of all public sector bodies.

The diagram below illustrates how the various principles for good governance in the public sector relate to each other. It also shows how principles A and B permeate the implementation of principles C to G, demonstrating that good governance is dynamic and that an entity as a whole should be committed to improving through a process of evaluation and review.



The diagram and principles are taken from the International Framework: Good Governance in the Public Sector: Good Governance in the Public Sector (CIPFA/International Federation of Accountants, 2014).

Responsibilities

Elected members are collectively responsible for the governance of North Warwickshire Borough Council. The responsibilities include:

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- Agreeing the Council's constitution, comprising the key governance documents including the democratic arrangements and making major changes to reflect best practice;
- Agreeing the policy framework including key strategies and agreeing the budget;
- Agreeing service arrangements and work plans, and reviewing audit matters;
- Appointing the Chief Officers; and
- Appointing committees responsible for regulatory matters and also appointing members to them.

The Council's Management Team and other Senior Managers are responsible for:

- Advising Boards and Committees on legislative, financial and other policy considerations to achieve the aims and objectives of North Warwickshire Borough Council;
- Implementing Councillors' decisions; and
- Service Performance.

Monitoring and Review

North Warwickshire Borough Council is required to prepare an annual governance statement in order to report publicly on the extent to which it complies with its code of governance. This includes how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should in itself add value to the effectiveness of the governance and internal control framework.

The annual governance statement includes:

- An acknowledgment of responsibility for ensuring that there is a sound system of governance, incorporating the system of internal control, and reference to the Council's code of governance;
- Reference to and assessment of the effectiveness of the key elements of the governance framework and the role of those responsible for the development and maintenance of the governance environment, such as the Management team, Internal Audit and others as appropriate;
- An opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework;
- An action plan showing actions taken, or proposed, to deal with significant governance issues; reference to how issues raised in the previous year's annual governance statement have been resolved; and
- A conclusion.

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North Warwickshire Borough Council's annual governance statement shall be approved by the Council's Executive Board and shall be published with the statement of accounts. The approved statement shall be signed by the Leader and the Chief Executive.

PRINCIPLE A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The council is accountable not only for how much we spend, but also how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, the Council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Behaving with integrity</p> <ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> • Council Constitution – rules of procedure • Minutes of Meetings • Member and Employee Codes of Conduct • Planning Protocol for Members and Officers Dealing with Planning Matters • Members and Employees Registration of Gifts & Hospitality • Members and Employees Declaration of Interests • Whistleblowing Policy • Financial Regulations • Contract Standing Orders • Complaints and Complaints Procedure • Anti Fraud, Bribery and Corruption Policy • Anti Money Laundering Policy • Data Protection Policy • Guide on the Internal Audit Function

<p>Demonstrating strong commitment to ethical values:</p> <ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisations are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> • Members and Employees Codes of Conduct • Financial Regulations • Contract Standing Orders • Procurement & Commissioning Strategy • Recruitment and Selection Policy and Procedure • Annual Staff Appraisals • Information Security Policy
<p>Respecting the rule of law</p> <ul style="list-style-type: none"> • Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> • Council Constitution • Guidelines and training for the Mayor and Deputy Mayor • Members and Employees Codes of conduct • Statutory Officers responsibilities set out in the Constitution • Job descriptions for Officers and Members • Protocol on Member / Officer Relations • Anti Fraud & Corruption Policy • Whistleblowing Policy • Complaints Procedure • Data Protection Policy • Corporate Plan • Scrutiny included as a function of Resources Board • Disciplinary Policy

PRINCIPLE B: Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Openness</p> <ul style="list-style-type: none"> • Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness • Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action 	<ul style="list-style-type: none"> • Data transparency web site page • Responses to Freedom of Information Act requests • Service and financial information published online • Board / council meetings open to the public, with an opportunity for public questions • Published agendas and minutes for Council meetings • Corporate Plan • Reason for exclusion of public from Council meetings required, and record kept • Public consultation on major projects and some small local projects • Local Plan inspection process open to the public, with the Inspectors notes published on the website • Staff appraisals and surveys • Recruitment & Selection procedures • Procurement Procedures

Engaging comprehensively with institutional Stakeholders

NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial suppliers and partners as well as other public or third sector organisations) or organisations to which they are accountable.

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes are achieved successfully and sustainably
- Developing formal and informal partnerships to allow for resources to be used efficiently and outcomes achieved more effectively
- Ensuring that partnerships are based on:
 - Trust;
 - A shared commitment to change;
 - A culture that promotes and accepts challenge among partners; and
 - the added value of partnership working is explicit.

- Borough Plan consultations
- Regular meetings with other organisations, such as WCC and Warwickshire Police
- Data sharing Protocols
- Work with Housing Associations
- Membership of the Central Building Control Partnership
- Community Partnership work
- Membership of the Heart Project
- Membership of the Waste Management Board, leading to becoming a Member of the Multi Recycling Facility Partnership

Engaging with individual citizens and service users effectively

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes
 - Ensuring that communication methods are effective and that Members and Officers are clear about their roles with regard to community engagement
 - Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs
 - Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account
 - Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
 - Taking account of the impact of decisions on future generations of tax payers and service users
- Local Plan Consultation
 - User Surveys
 - Complaints & Compliments Procedure
 - Housing Tenants Forum
 - North Talk delivered to all residents
 - Public participation in Board / Council meetings
 - Use of web site / social media
 - Elected Member surgeries / feedback
 - Staff surveys
 - Asset sales where appropriate

PRINCIPLE C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The long term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Defining outcomes</p> <ul style="list-style-type: none"> • Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to achievement of outcomes • Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available; 	<ul style="list-style-type: none"> • Council Vision and Priorities • The Corporate Plan • The North Warwickshire Local Plan • North Warwickshire Community Safety Partnership (vision) • Affordable Housing Viability assessment • Medium Term Financial Strategy • Capital Strategy • HRA 30 Year Business Plan • Green Space Strategy • Risk Management Strategy • Treasury Management and Investment Strategy • Annual Strategic and Operational Risk Assessments

<p>Sustainable economic, social and environmental benefits</p> <ul style="list-style-type: none">• Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision• Taking a longer term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short term factors such as the political cycle or financial constraints• Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs• Ensuring fair access to services	<ul style="list-style-type: none">• Board report template used for reporting, covering all implications• Record of decisions taken and reports considered• Deferrals/consultation utilised where more information is required• Corporate Vision and Plan• Use of Service Strategies• Risk Management Policy• Medium Term Financial Strategy• Capital Strategy and HRA Business Plan• Equal Opportunities and Equality Policy• Equality impact Assessments
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PRINCIPLE D: Determining the interventions necessary to optimise the achievement of intended outcomes.

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Determining interventions</p> <ul style="list-style-type: none"> • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts 	<ul style="list-style-type: none"> • Board report template used for reporting, with appropriate professional staff covering specific implications • Corporate Management Team / Extended Management team • Policies considered by both Service Boards and Executive Board • Medium Term financial Strategy • Risk Management Framework • Use of Tenants Forum, User Groups, feedback from partners • Internal / External Audit reviews • Complaint & Compliment procedure • Health & Safety Group • Annual staff surveys

<p>Planning interventions</p> <ul style="list-style-type: none"> • Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets • Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered • Considering and monitoring risks facing each partner when working collaboratively, including shared risk • Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured; • Ensuring capacity exists to generate the information required to review service quality regularly • Preparing budgets in accordance with objectives, strategies and the medium term financial plan • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy 	<ul style="list-style-type: none"> • Corporate Planning aligned with budget setting • Medium Term Financial Strategy • HRA Business Plan • Capital strategy • Treasury Management and Investment Strategy • Performance and financial update reports throughout the year • Strategies backed up by action plans • Health & Safety Working Group • User surveys • Regular review of operational and strategic risks • Business Continuity plans for all Service Areas • Use of procurement frameworks
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<p>Optimising achievement of intended outcomes</p> <ul style="list-style-type: none"> • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage • Ensuring the achievement of 'social value' through service planning and commissioning 	<ul style="list-style-type: none"> • Budgets reviewed by Corporate Management Team • Medium Term Financial Strategy assessed by Service Boards, but need Council approval • Use of HRA Business Plan • Capital / Treasury Management Strategies • Corporate Planning aligned with budget setting • Divisional Service Plans • Regular divisional budget monitoring / review meetings with finance staff
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PRINCIPLE E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Developing the entity’s capacity</p> <ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources 	<ul style="list-style-type: none"> • Regular finance and performance reports • Benchmarking undertaken by services eg. HouseMark used by Housing • Use of a Procurement and Commissioning strategy • Involvement in Heart Shared Service and Central Building Control Partnership • Workforce planning in some service areas

<p>Developing the capability of the entity’s leadership and other individuals</p> <ul style="list-style-type: none"> • Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:- <ul style="list-style-type: none"> ➢ Ensuring members and staff have access to appropriate induction tailored to their role and that on-going training and development matching individual and organisational requirements is available and encouraged ➢ Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ➢ Ensuring personal, organisational and system-wide development through shared learning, including lessons 	<ul style="list-style-type: none"> • Protocols included within the Constitution eg. Monitoring Officer Protocol • Job descriptions for Senior Officers are agreed by the Executive Board • Member appointment of Senior officers • Annual Member appraisal of the Chief Executive • Decision making set out in the Constitution • Schemes of Delegation • Regular meetings with Leaders Group and the Opposition Leadership • Board briefings for Leaders/ Deputy Leaders / Shadow Leaders • Democratic Services support • Workforce policies • Induction training for both Members and employees • Training and development for employees, some mandatory • Training and development for Members • Annual appraisals for employees • HR policies and procedures
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<p>learned from governance weaknesses both internal and external</p> <ul style="list-style-type: none">• Ensuring that there are structures in place to encourage public participation• Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections;• Holding staff to account through regular performance reviews which take account of training or development needs• Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none">• Public participation in Board / Council meetings• Housing Tenant Forum• User surveys• Half yearly Internal Audit reports to Resources Board• External audit reports to Executive Board• Involvement with peers / peer groups / local interest groups• Health and Safety Policies and Procedures• Health and Safety Group
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PRINCIPLE F: Managing risks and performance through robust internal control and strong public financial management.

Local government needs to ensure that the organisations and governance structures that it oversees are implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Managing risk</p> <ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated 	<ul style="list-style-type: none"> • Risk Management Framework • Strategic and Operational Risk Registers • Half yearly review of control measures carried out with Corporate Directors / Divisions by Financial Services • Risk management reports to Resources Board • Risk implications included on all reports
<p>Managing performance</p> <ul style="list-style-type: none"> • Monitoring service delivery effectively including planning, specification, execution and independent post implementation review 	<ul style="list-style-type: none"> • Corporate and Service Plans • Corporate Plan and financial updates • Risk Management Framework

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<ul style="list-style-type: none"> • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	<ul style="list-style-type: none"> • Risk implications included on all reports • Annual Statement of Accounts • Annual summary of work accomplished / progress against targets • Progress reports to Service Boards • Financial Regulations and Standing Orders • Minority Report Procedure
<p>Robust internal control</p> <ul style="list-style-type: none"> • Aligning the risk management strategy and policies on internal control with achieving objectives • Evaluating and monitoring risk management and internal control on a regular basis • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing 	<ul style="list-style-type: none"> • Corporate management structure to allow officer challenge • Risk Management Framework • Strategic and Operational Risk Registers • Internal Audit Plans decided following a risk assessment of Council service areas • Internal Audit findings reported to Senior Management and Resources Board • Anti-fraud, Corruption & Bribery Policy • Anti-Money Laundering Policy • Annual review of the effectiveness of internal audit, who work to Public Sector Internal Audit standards • Corporate Governance reviewed by Internal Audit • Use of a Counter Fraud Officer • Use of RIPA and social media investigation guidelines • Resources Board receive and review the Council's risk

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<p>body:</p> <ul style="list-style-type: none"> ➤ Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment ➤ That its recommendations are listened to and acted upon 	<p>management arrangements</p>
<p>Managing data</p> <ul style="list-style-type: none"> • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring 	<ul style="list-style-type: none"> • Designated Data Protection Officer and Senior Information Risk Owner • GDPR guidance and staff training • Data Protection Policy • Privacy Notices on the Council's website • Information Security Policy (some updating needed) • Adoption of the Warwickshire Information Sharing Protocol • Adherence to the Multi-Agency Public Protection Arrangements • Corporate administration of Freedom of Information requests, including reporting to Board
<p>Strong public financial management</p> <ul style="list-style-type: none"> • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring well developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> • Medium Term Financial strategy • 30 Year HRA Business Plan • Capital Strategy • Treasury Management and Investment Strategy • Monthly budgetary monitoring reports, including 'hotspot' reports to Management Team

PRINCIPLE G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting Principles:	Examples of evidence demonstrating compliance
<p>Implementing good practice in transparency</p> <ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 	<ul style="list-style-type: none"> • Report template used, and adapted when appropriate • Agendas, reports and minutes available on the council’s website • Transparency Information published • Information published on an ‘A-Z’ service basis • Links provided where greater detail is available
<p>Implementing good practices in reporting</p> <ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and 	<ul style="list-style-type: none"> • Annual financial statements, including narrative report • Annual Governance Statement • Annual Governance Action Plan • Code of Corporate Governance available on the website • External Auditor reports and Annual Audit letters available on the website • VFM Conclusion of the External Auditor

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<p>publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)</p> <ul style="list-style-type: none"> • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations 	
<p>Assurance and effective accountability</p> <ul style="list-style-type: none"> • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risk associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> • Executive Board Terms of Reference (Constitution) • Compliance with the Public Sector Internal Audit standards • Annual review of the effectiveness of Internal Audit • Internal Audit work reported to Resources Board • Achievement of recognised standards eg. DSS PSI, Borough Care • Annual Governance Statement • Partnership agreements eg. North Warwickshire Community Safety Partnership, Warkwickshire Information Sharing Protocol

NORTH WARWICKSHIRE BOROUGH COUNCIL

2019/20 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. To do this, the Council is responsible for putting in place proper arrangements for the governance of its affairs and enabling the effective exercise of its functions, which includes arrangements for the management of risk.

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

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 in relation to the publication of an Annual Governance Statement.

Purpose of the Governance Framework

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

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

The governance statement has been in place at North Warwickshire Borough Council for the year ended 31 March 2020 and up to the date of approval of the statement of accounts.

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

To ensure that the governance framework remains effective, senior officers and Members have reviewed individual elements of the framework. Review work has been undertaken by the Council's statutory officers with, for example, amendments made to the Treasury Management Strategy and a refresh of the Code of Corporate Governance.

Policy Boards use Task and Finish groups or Working Groups to review and scrutinise individual areas. Working parties met to progress Health and Wellbeing, Community Safety and Financial Inclusion and to monitor Section 106 Agreements. The Community Partnership also oversees actions taken in a number of areas, such as addressing poverty and raising aspirations and employability.

Council Structure and Corporate Governance

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

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

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.

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

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

Management Team

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

- The Head of Paid Service – Chief Executive
- The Chief Financial Officer (CFO) – Corporate Director Resources
- The Monitoring Officer – Corporate Director Community (April – September), with the Director of Streetscape taking this role for an interim period from 1 October 2019.

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

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

All of the statutory officers are members of the Senior Management Team of the Council, which meets on a weekly basis.

The Council also has Service Directors covering: Corporate Services, Housing Services and Leisure and Community Development. These Directors, together with the senior Management Team and the Head of Development Control, make up the Extended Management Team, who meet on a monthly basis.

Standards

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

Both Members and officers are required to declare gifts and hospitality received, for inclusion on the register of interests maintained by the Monitoring Officer. An Internal Audit on Gifts and Hospitality undertaken during the year provided a satisfactory audit opinion, with a few recommendations for improvements. These will be implemented during the coming year.

Performance Management

The Council assesses the needs of the area through the Sustainable Community Strategy process and work with the North Warwickshire Community Partnership. The Council's Corporate Plan provides clear links on how the achievement of Council priorities assists in the delivery of community objectives. 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.

During the year progress against Corporate Plan targets is reported to senior managers, Management Team and to service boards on a quarterly basis, along with performance indicator information. A final position is collated at the end of the year, which is again reported to Members and is also published on the Council's website. This system has been operating for some time, so a review is planned to ensure that it is still fit for purpose.

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-focused and tailored to meet individual councils' needs, 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 during 2019/20 we have continued to focus

on how we communicate, to ensure revised arrangements are working as intended and we use all appropriate information channels.

Information Management

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

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

The Senior Information Risk Owner is responsible for implementing a risk assessment programme and advising the Executive Board of the effectiveness of the Council's information risk management procedures. Requirements for information management are set out in the Council's Information Security Policy. The effectiveness of the Council's arrangements is tested annually through a cyber essentials assessment.

Financial Management

The Chief Financial Officer must be a member of a specified accountancy body. The CFO is responsible for the proper administration of the Council's financial affairs and has specific legislative responsibilities, as he/she has a fiduciary responsibility to the local taxpayer. In England, the CFO has a statutory duty to report to the authority at the time the budget is considered and the council tax set, on the robustness of the budget and the adequacy of financial reserves. With regard to capital spending, there is a statutory requirement to set and arrange the Council's affairs to remain within limits for borrowing and capital investment. The CFO must also be proactive in the management of change and risk, be focussed on outcomes and help to resource the authority's plans for change and development in the public services it provides. The 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 Council has comprehensive forecasting and budgeting procedures. A medium term business and financial planning process is used to deliver the authority's strategic objectives, including:

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

Financial information is provided on a monthly basis to the Management Team, and three times during the year to each Service Board. Periodic and annual reviews of financial reports indicate financial performance against forecasts for all of the Council's spending. Summary information is also published.

Financial Regulations and Contract Standing Orders are in place, for use by all Members and Officers. These ensure there is effective use and control of resources, and robust and transparent decision making. The Financial Regulations were reviewed during the year, but the minor updates made to the regulations were not approved due to the cancellation of the Resources Board meeting in March 2020. These will be considered at its meeting in November.

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

Risk Management

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

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

Risks are reviewed corporately part way through the year, and specific checking is carried out during the year by the Internal Audit section, as part of their audit work. The Resources Board receive a mid year update on risk management activity, as well as an annual report. The annual report includes information on the strategic risks, as well as the more significant operational risks.

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

Internal Audit

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

The Internal Audit service has demonstrated compliance with the Public Sector Internal Audit standards.

Internal Audit has a risk based approach to formulate audit plans and determine the scope of audit reviews. The work undertaken by Internal Audit has enabled the Head of Internal Audit to conclude that the Council has a range of appropriate strategies, policies, procedures and protocols to address the corporate governance agenda.

The Council has a zero tolerance to all forms of fraud, error and corruption, and employs a counter fraud officer who works closely with the Revenues, Benefits and Housing teams to

identify, deter and prevent all forms of fraud and error. We also have a joint working agreement with the Department for Works and Pensions.

Responsibilities of Officers and Members

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

The Council uses workforce planning to identify future staffing requirements. This projects future service needs and the workforce that would be needed for their delivery. Recruitment difficulties in some service areas highlighted the need to review and update workforce plans. Although some areas were reviewed during the year, senior management changes prevented the completion of a full review, so this will be progressed in the coming year.

The Council uses an appraisal system to set specific targets for individual staff on an annual basis. These targets reflect their Division's targets in the Corporate Plan and the Divisional Service Plan and are subject to a six monthly review. The appraisal system is also used to assess the training and development needs of individual employees and ensure that they have the skills and abilities to carry out the tasks required.

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

Significant Governance Issues

Progress has been made with the implementation of the Corporate Governance Action Plan approved last year, although some areas still require completion.

Action	Responsible Officer	Completion Date
Update the Workforce Plan	CDR / D's / SH –P	In progress
Review the Code of Governance, to ensure consistency with the latest CIPFA / SOLACE guidance	CDR	Sept 2020
Provide induction training for newly elected Members	CE	May / June 2019
Agree and deliver training plans for new Members	CE / CDR	In progress
Agree the priorities and key actions of the new Council	CE	Sept 2020
Revise the Capital Strategy to ensure compliance with new priorities	CDR	In progress
Deliver targets within the Financial Strategy	CDR	February 2020
Review Contract Standing Orders and procurement documentation to ensure they take account of the Modern Slavery Act	D – CS	In progress
Review reporting arrangements for corporate priorities	CE	In progress
Review compliance with GDPR compliance	CE	March 2020
A review of the process and procedures through which	D – L&CD	March 2020

APPENDIX B

Community Grants are awarded to outside organisations		
A review of the new Building Control Partnership arrangements	CDR / HoPI	June 2020
Finalise a Communications Strategy and develop a plan to ensure communication supports the council's priorities	D - CS	In progress

The review of the governance framework during 2019/20 has identified the following significant governance issues:

Action	Responsible Officer	Completion Date
Continue to update the Workforce Plan	CDR / D's / SH -P	
Review the Constitution and update where required	HoLS	
Identify training needs for Members and arrange delivery where appropriate	CE / CDR	
Review financial strategies, in light of increased financial pressures		
Review reporting arrangements for corporate priorities	CE	
Finalise a Communications Strategy and develop a plan to ensure communication supports the council's priorities	D - CS	
Set up and monitor procedures for virtual Board and Council meetings	CE	

Conclusion

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

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

Agenda Item No 9

Executive Board

21 September 2020

**Report of the
Corporate Director - Resources**

**Financial Management System
Procurement**

1 Summary

- 1.1 The report considers the procurement of a replacement Financial Management System.

Recommendation to the Board

To approve the procurement of a Cloud based financial system.

2 Introduction

- 2.1 The current Financial Management System, TOTAL, has been used by the Council since its implementation in 2005. In relative terms it was a fairly basic system compared to many others on the market but was suitable for the needs of the Authority when chosen.
- 2.2 There has been little development of the system in recent years with the supplier setting out their intention to discontinue support completely in the short to medium term future. This would mean amongst other things, an end to supplier updates which provide critical protection against cyber-security threats and the risk of unrecoverable system failure.
- 2.3 It has become evident over the last few years that the system no longer meets the needs of the Council: it does not provide a number of reports required by our external auditors and does not have the security functionality recommended by the Internal Audit Team. This increases the manual intervention work needed by the Finance Team to produce the required reports and to ensure sufficient controls are in place to safeguard the Council's financial position.
- 2.4 Business processes have developed over time to overcome or work round system weaknesses. Important tasks like budget forecasting or other monthly or yearend technical accounting processes are often carried out on Excel spreadsheets, which involves the download and analysis of large quantities of data. In addition, budget monitoring reports are produced using Microsoft Access Database as the system does not have the functionality to produce customised reports. This inevitably reduces the time available for other work. The team spend a significant amount of time downloading and manipulating

the data which means less time is available to interpret the information. This also increases the potential for error.

- 2.5 The Council has been migrating to Windows 10 and Office 365. This has caused issues with the current TOTAL system, which is not easily compatible with the updated windows software. Enquiries have been made with TOTAL Mobile who have suggested an upgrade may resolve the issues found. However, there would be a cost attached to this, with no guarantee of success. Rather than spend money on an attempt, there is a preference to progress procurement of a new system as soon as possible, particularly given the short term future of the TOTAL finance system.
- 2.6 The supplier has informed clients that support will be withdrawn by 2023. In recognition that it was reaching the end of its useful life, a sum was included within the capital programme for the replacement of the financial management system in 2020/21.

3 Procurement Options

- 3.1 There are two options for the Council to consider in deciding on a procurement route. The Council could opt to replace as a legacy system which is hosted on site or opt for software that is hosted externally and accessed via the internet (a cloud service).
- 3.2 The move to cloud services has been a growing trend for technology decisions in the public sector since 2013 when the government published its 'Cloud First' Policy. In response, many providers of software technology are now concentrating development effort on their cloud offerings with others withdrawing from the on premise market altogether. The Council has already recognised this trend in moving to a cloud service for Office 365.
- 3.3 Some soft market testing was carried out in 2019 by a neighbouring authority. They found that of the four suppliers of integrated financial solutions to the local authority sector which provided indicative costings, one did not provide an on-premise solution and two of the others were committing at least 80% of their future development strategies to cloud, leveraging the benefits of investment in cloud based technologies being made by Microsoft and other tech-giants.
- 3.4 The Council will need to retain any finance system for an extended period, so it is essential that any system will fit into supplier development strategies. In order to future proof the financial system as far as possible, it is proposed to look at procuring an externally hosted 'Cloud' system. If this approach is taken, it is suggested that as part of the procurement exercise, we obtain prices for the Payment Management system as an optional add on.
- 3.5 The Council currently has its Payment Management system with Capita. Compliance requirements for the Payment Card Industry Data Security Standards (DSS PCI) currently sit with the Council and regular software updates are required to ensure that the Standards are met. There is a

financial cost to this, as well as the staffing cost of testing and implementing system upgrades. Capita are now offering cloud based technology, which has the benefit of transferring the prescriptive compliance requirements of the Payment Card Industry Data Security Standards (PCI DSS) entirely to the service provider, significantly reducing administrative overhead for the Council.

- 3.6 Obtaining prices for a Cloud based Payment Management Solution will allow us to test the market in this area. If it proved cost effective, the potential to integrate the payments system with the financial management system may assist with streamlining processes.

4 Timescales / Resources

- 4.1 Tendering for a legacy system hosted on site will take a minimum of 6 months if staff were dedicated to working on the project. A detailed specification would need to be written, with market testing and demonstrations also required. As it is a lengthy process, the Financial Services Team do not have the capacity to undertake the procurement, so a temporary appointment would be necessary. Recruitment for this purpose would add to the time required for the procurement exercise. This time does not include the time to then implement and test the solution, which could require a further 6 months.
- 4.2 Procurement of a Cloud based solution would be done through the G-Cloud framework. This will provide the simplest and shortest access to providers of cloud solutions. The preferred solution will be determined by assessment of which product and proposal most closely aligns with specific business requirements. Whilst it will be difficult, the Finance Team believe this could be achieved in house as the procurement process is less detailed.
- 4.3 It had been planned to start the procurement process earlier, but a combination of delays in the External Audit process and Covid-19 have delayed the start of the process. This has restricted the time available for procurement, so a shorter internal process will be beneficial.

5 Conclusion

- 5.1 Suppliers of financial management, income management and payment systems are increasingly only providing cloud-based technology. To ensure any system remains useable and appropriate in the future, this needs to be addressed in procuring a new system.
- 5.2 Obtaining a replacement system as soon as possible will be beneficial, as supplier support tends to reduce as a system gets closer to its withdrawal date. The current reduction in support is already difficult, so any further reduction could be problematic.

6 Report Implications

6.1 Finance and Value for Money Implications

6.1.1 An amount of £300,000 is included within the capital programme for the replacement of the financial management system. The revenue provision for the current system is £31,557 per annum. Current revenue provision will not be sufficient for any new system.

6.1.2 If a cloud based solution is chosen, a high proportion of the associated costs will be revenue. Indicative costs obtained by a neighbouring authority were that costs associated with the implementation of a cloud or more traditional on premise solution are forecast to be very similar over a contract period of four years. However this option would add to revenue costs, whilst freeing up some capital resources.

6.2 Environment, Sustainability and Health Implications

6.2.1 Some of the features of an up to date suite of software will enable staff to work in more modern and agile ways which can help deliver sustainability improvements.

6.3 Risk Management Implications

6.3.1 The risk of legacy finance systems suffering a cyber-attack or a catastrophic and unrecoverable failure will increase significantly when suppliers discontinue support. The Council must avoid this risk with the procurement and replacement of the finance system.

6.4 Links to Council's Priorities

6.4.1 This reports recommendations help deliver the Councils overall commitment to providing quality services that demonstrate that they are delivering value for money.

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

Executive Board

21 September 2020

**Report of the
Chief Executive**

**Progress Report on Achievement
of Corporate Plan and
Performance Indicator Targets
April 2019 - March 2020**

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 2019 to March 2020.

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 year end position with the achievement of the Corporate Plan and Performance Indicator targets for 2019/20. This is the fourth report showing the progress achieved so far during 2019/20.

4 Progress achieved during 2019/20

- 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 2019 to March 2020 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. Information for the Forward Planning indicators is currently being collated. An updated appendix will be provided to the board once the returns are finalised.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 100% of the Corporate Plan targets and 43% of the State of Borough Indicators performance indicator targets and 25% of the Council Indicators have been achieved. Targets have not been achieved relating to development of a Transport Strategy, some of the community safety indicators and for Environmental Health requests for services. The report shows the individual targets that have been classified as red or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	10	100%
Red	0	0%
Total	10	100%

Performance Indicators

State of the Borough Indicators

Status	Number	Percentage
Green	3	43%
Red	4	57%
Total	7	100%

Council Performance Indicators

Status	Number	Percentage
Green	1	25%
Red	3	75%
Total	4	100%

7 Summary

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

8 Report Implications

8.1 Safer Communities Implications

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

8.2 Legal, Data Protection and Human Rights Implications

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

8.3 Environment and Sustainability Implications

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

8.4 Risk Management Implications

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

8.5 Equality Implications

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

8.6 Links to Council's Priorities

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

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

Executive Board 19/20									
	Action	Priority	Reporting Officer	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Status	Direction
18	To progress the Local Plan through Inquiry towards adoption and commence further work as agreed by the Local Development Framework Sub-Committee	Protecting our Countryside & Heritage	Dorothy Barratt	The Local Plan has been through three sessions of hearings. A letter has been received from the Local Plan Inspector. Work is currently ongoing to respond to this. The outcome of the A5 HIF is key to further progression of the Local Plan	The examination is continuing with further correspondence from the Local Plan Inspector. The outcome on the A5 HIF Bid is awaited	The examination is continuing with further correspondence from the Local Plan Inspector. The outcome on the A5 HIF Bid is awaited	Funding for the A5 has now been agreed with MHCLG and not through HIF. Working with the Local Plan Inspector to progress the Local Plan	Green	↑
19	Whilst continuing to oppose a) the route of HS2 Phase 2b in principle, to press for maximum mitigation and benefits for the Borough, required as a consequence of the HS2 proposal, in partnership with other affected Councils and community action groups and; b) To continue to oppose the principle of Opencast Mining and Mineral Extraction	Protecting our Countryside & Heritage	Dorothy Barratt	A response is being prepared to the consultation on Design Refinements.	A response was made on the Design Refinements. The outcome of the Oakervee Review is awaited.	A response was made on the Design Refinements. The outcome of the Oakervee Review is awaited.	Phase 1 now has been given the formal notice to proceed. Further design engagement is ongoing.	Green	↔
20	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	Work in this period has included consideration of the Crowded Places guidance, EU Exit contingency planning, Grendon Flood Group, a table top workshop to consider pipeline breaches, Local Resilience Forum Recovery and Tactical Group meetings. Our call out cascade requires further changes as a result of recent staffing changes.	Work to revise our call out cascade is continuing following additional changes. The Warwickshire LRF has been starting work on revising plans for flood responses, cyber resilience, recovery and EU Exit preparations.	Work in this quarter has included EU Exit preparations via the Warwickshire LRF, liaising with Grendon Flood Group, LRF Training and Exercising Group, Cyber Resilience Group, responding to local flooding incidents and the LRF Tactical Group.	Prior to the responses to the coronavirus outbreak activities were taking place on West Parish Flood Forum, Ball Game Safety Advisory Group and the WLRG Risk Group. The coronavirus outbreak initiated a SCG Telecom on the 3 Feb 20. From that date onwards work was carried out to put in place business continuity measures to ensure services could continue. Extensive working from home and use of Teams meetings were put in place. Responses to support the national shielding arrangements were set up with food parcel deliveries, community based support and welfare calls arranged.	Green	↑
21	To achieve the savings required by the Medium Term Financial Strategy including the commitment to keep Council Tax as low as possible	Responsible Financial & Resource Management	Sue Garner	2019/20 savings are included within the approved budget. Work on savings for 2020/21 has commenced.	Work on finding savings for 2020/21 is ongoing.	Work on finding savings for 2020/21 is ongoing.	Savings of £790k were included in the 20/21 budget. Some of these will no longer be achieved due to subsequent events.	Green	↓
22	To update the Medium Term Financial Strategy in September 2019 and February 2020, to take account of external funding changes relating to Business Rates and the Fair Funding Review	Responsible Financial & Resource Management	Sue Garner	Work to update the strategy will be undertaken in August.	An updated strategy was taken to Executive Board in September.	An updated strategy will be taken to Executive Board in February	An updated strategy was taken to Executive Board in February, which included all known changes.	Green	↔
23	To continue to work with partner organisations in the Coventry, Warwickshire and Hinckley Joint Committee and West Midlands Combined Authority 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 work of the WMCA and the Joint Committee is ongoing. The Council is working with the WMCA on transport and housing/infrastructure delivery issues and with the Joint Committee on joint spatial planning work	The work of the WMCA and the Joint Committee is ongoing. The Council is working with the WMCA on transport and housing/infrastructure delivery issues and with the Joint Committee on joint spatial planning work	The work of the WMCA and the Joint Committee is ongoing. The Council is working with the WMCA on transport and housing/infrastructure delivery issues and with the Joint Committee on joint spatial planning work	The work of the WMCA and the Joint Committee is ongoing. The Council is working with the WMCA on transport and housing/infrastructure delivery issues and with the Joint Committee on joint spatial planning work. A White Paper on Devolution is expected in the autumn.	Green	↔
24	To continue to work with Warwickshire County Council, the Environment Agency and local communities to mitigate the effects of, and protect against, the impacts of localised flooding and to update as part of the quarterly performance reports	Creating Safer Communities	Richard Dobbs/Steve Maxey	Work continues in this area with local community projects being supported and resources deployed as and when required	Work continues in this area with local community projects being supported and resources deployed as and when required	Work continues in this area with local community projects being supported and resources deployed as and when required	Work continues in this area with local community projects being supported and resources deployed as and when required	Green	↔
25	To ensure that, as part of the Council's corporate Communications Strategy, we effectively engage residents, businesses and all sections of our communities to inform them of the Council's services and priorities and made clear the opportunities for them to be involved in decision making via consultation and social media.	Promoting Sustainable & Vibrant Communities	Linda Bird/Steve Maxey	The Council uses a software tool to help manage its social media presence. We are currently focusing on coordinating content across the corporate and service account. The Contact Centre responds to residents enquiries via social media.	Work has started to draft an approach to consultation and engagement. Work continues to provide residents with information that affects them.	Work has started to draft an approach to consultation and engagement. Work continues to provide residents with information that affects them.	Work to coordinate social media content continues and our social media management software allows us to monitor and improve it's use. A Communications Plan linked to the Corporate Plan was drafted. Work on consultation and engagement will resume in 2020/21.	Green	↔
26	To carry out a full review of the Council's Capital and Investment Strategy by February 2020	Responsible Financial & Resource Management	Sue Garner/Richard Dobbs	To commence later in the year.	The review has started, although the majority of the work will take place in Qtr 3.	The updated capital strategy will be taken to Executive Board in February	The updated capital strategy was taken to Executive Board in February	Green	↔
27	To pursue potential commercial opportunities available to the Council, with a view to implementing beneficial schemes	Responsible Financial & Resource Management	Sue Garner	Investment in the Multi Recycling Facility scheme is currently being assessed.	Investment in the Multi Recycling Facility scheme has been agreed.	Investment in the Multi Recycling Facility scheme has been agreed.	Investment in the Multi Recycling Facility scheme has been agreed.	Green	↔

NWPI Executive Board 19/20

Ref	Description	Section	Priority	Year End Target 2019/20	Outturn 2018/19	April - Mar Perform ance	Traffic Light	Direct ion 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	89	98	Red	↓	Targets not reached as higher number of service requests received than the previously year and a member of the team off sick for 5 months
NWLPI 162	Percentage of Freedom of Information replies dealt with within 20 days	Policy Support	Public Services & Council Tax	100	98%	94%	Red	↓	760 Freedom of Information requests were received, 717 were completed within 20 days, 32 over 20 days and 11 requests are outstanding and overdue.
New	The number of LG & Housing Ombudsman complaints determined as maladministration	Policy Support	Public Services & Council Tax	0	0	0	Green	↔	No complaints determined by the Ombudsman
NWLPI 126 Annual	% permitted process inspections carried out within scheduled timescale	Env Health (C, L & HP)	Public Services & Council Tax	100	100	50%	Red	↓	Team member on long term sick and then Covid restrictions on inspections
State of the Borough Indicators									
NWLPI 153	Number of burglary residential dwellings	Policy Support	Crime and Disorder	268	269	194	Green	↑	The number of residential dwelling burglaries reduced by 27% a reduction of 74. Several wards have been identified as risk locations for both vehicle crime and residential dwelling burglaries – Arley and Whitacre Ward, Curdworth Ward and Atherstone Central Ward
NWLPI 154a	Number of violent offences with injury in the local authority area	Policy Support	Crime and Disorder	512	513	541	Red	↓	The levels of violence with injury increased by 5%. The latest Strategic Assessment shows that assault with injury was the most prevalent offence type. Atherstone Central Ward continues to see the highest volume.
NWLPI 154b	Number of violent offences without injury in the local authority area	Policy Support	Crime and Disorder	878	879	970	Red	↓	The levels of violence without injury increased by 10%. Increases are partially due to the reclassification of how malicious communications and harassment offences are recorded since Home Office Counting Rules changed. Atherstone Central Ward continues to see highest volumes.

NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	600	601	582	Green	↑	The level of vehicle crimes decreased by 3% overall. The Strategic Assessment shows that levels of thefts of vehicles around the borough have decreased by 19%, and thefts from a vehicle have decreased by 13%. A number of prevention actions are being taken including packs for victims, promotion of rural watch and use of mobile CCTV. The use of a License Plate Capture Device has been deployed in Fillongley and Kingsbury to help improve intelligence about offenders and improve detections.
@NW:NI032	Violence Against the person with injury Offences related to Domestic Violence	Policy Support	Crime and Disorder	196	197	212	Red	↓	The levels of violence with injury relating to domestic absue increased by 8%. 39% of the violence with injury offences were related to domestic abuse. There have been improvements in applying key word flags in the recording of offences which could have influenced the increase. Increases are being seen in repeat victims of domestic abuse related violence. The strategic assessment shows an increase from 54 to 92.
@NW:NI047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	62	63	42	Green	↑	The number of killed and serious injuries reduced by 20. The strategic assessment shows the lowest levels seen for over 5 years.
NWLPI 008 Annual	The percentage turnout for local elections	Democratic Services	Public Services & Council Tax	39	-	32.61	Red		
NW: NI 154 Annual	Net additional homes provided	Forward Planning	Countryside and Heritage	264					Figures not yet available
NW: NI 155 Annual	Number of affordable homes delivered	Forward Planning	Countryside and Heritage	53					Figures not yet available
NW: NI 159 Annual	Supply of ready to develop housing sites	Forward Planning	Countryside and Heritage	100					Figures not yet available
NWLPI 015 Annual	Percentage of new homes built on previously developed land	Forward Planning	Countryside and Heritage	35					Figures not yet available

Agenda Item No 11

Executive Board

21 September 2020

Report of the Chief Executive

Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April - June 2020

1 Summary

- 1.1 This report informs Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Executive Board for April to June 2020.

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 first quarter position with the achievement of the Corporate Plan and Performance Indicator targets for 2020/21. This is the first report showing the progress achieved so far during 2020/21.

4 Progress achieved during 2020/21

- 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 June 2020/21 for the Executive Board.
- 4.2 Members will recall the use of a traffic light indicator for the monitoring of the performance achieved.

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

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

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

5 Performance Indicators

- 5.1 The current performance indicators have been reviewed by each division and Management Team for monitoring for the 2020/21 year.

6 Overall Performance

- 6.1 The Corporate Plan performance report shows that 91% of the Corporate Plan targets and 83% of the State of Borough Indicators performance indicator targets and 67% of the Council Indicators are currently on schedule to be achieved. The report shows that individual targets that have been classified as red, amber or green. Individual comments from the relevant division have been included where appropriate. The table below shows the following status in terms of the traffic light indicator status:

Corporate Plan

Status	Number	Percentage
Green	10	91%
Amber	1	9%
Red	0	0%
Total	11	100%

Performance Indicators

State of the Borough Indicators

Status	Number	Percentage
Green	5	83%
Amber	1	17%
Red	0	0%
Total	6	100%

Council Performance Indicators

Status	Number	Percentage
Green	2	67%
Amber	1	33%
Red	0	0%
Total	3	100%

7 **Summary**

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

8 **Report Implications**

8.1 **Safer Communities Implications**

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

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

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

8.3 **Environment and Sustainability Implications**

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

8.4 **Risk Management Implications**

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

8.5 **Equality Implications**

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

8.6 **Links to Council's Priorities**

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

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

Background Papers

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

Background Paper No	Author	Nature of Background Paper	Date

Executive Board 20/21							
	Action	Priority		Reporting Officer	Quarter 1	Status	Direction
1	To achieve the savings required by the Medium Term Financial Strategy including a £5 annual rise in Council Tax	Responsible Financial & Resource Management	Executive Board/Special Sub	Sue Garner	Work on savings was largely put on hold in quarter 1.	Green	↔
2	To update the Medium Term Financial Strategy in September 2020 and February 2021, to take account of external funding changes relating to Business Rates and the Fair Funding Review	Responsible Financial & Resource Management	Executive Board	Sue Garner	Some preparatory work was undertaken	Green	↔
3	To carry out a full review of the Council's Capital and Investment Strategy by February 2021	Responsible Financial & Resource Management	Executive Board	Sue Garner/Richard Dobbs	Limited work undertaken in quarter 1	Green	↔
8	To progress the review of the Administrative Services as part of a transformation programme for the Council's operations and, once completed, consider further areas for review, including vehicle maintenance	Responsible Financial & Resource Management	Executive Board/Resources Board/Community and Environment/Safer Communities Sub-Committee/Special Sub	Steve Maxey/Linda Bird/EMT	A review, funded by a successful bid to the LGA's Efficiency Expert Programme, was completed immediately prior to lock down. A recent reconsideration of the consultant's report identified a number of areas where things had changed due to work practices put in place during the pandemic. The LGA has provided additional funding for an update and to help with implementation.	Green	↑

14	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, reporting quarterly to Board	Creating Safer Communities	Executive Board	Robert Beggs	The focus during this quarter has been on the responses to the coronavirus pandemic. Our business continuity plans have been enhanced to increase staff capacity to work from home. The Warwickshire Local Resilience Forum has worked at a regional level to support responses. On a borough and county level effective working arrangements were put in place to support people shielding and other vulnerabilities.	Green	↑
15	To establish a North Warwickshire Flooding Forum and continue to work with Warwickshire County Council, the Environment Agency and local communities to mitigate the effects of, and protect against, the impacts of localised flooding and to update as part of the quarterly performance reports	Creating Safer Communities	Executive Board	Richard Dobbs/Steve Maxey	NWBC continues to work with EA, WCC, parish councils, developers and other stakeholders in this area	Green	↑
30	To progress the Local Plan through Inquiry towards adoption and commence further work as agreed by the Local Development Framework Sub-Committee, including work to protect valued views, Member steering groups on major allocation sites (to include Section 106 requirements) and consideration of work for the next Local Plan period (2033-2045)	Protecting our Countryside & Heritage	Executive Board/Planning & Development Board/LDF Sub-Committee	Dorothy Barratt	Local Plan work is continuing with adoption expected early 2021	Green	↑
48	To ensure that, as part of the Council's corporate Communications Strategy, we effectively engage residents, businesses and all sections of our communities to inform them of the Council's services and priorities and made clear the opportunities for them to be involved in decision making via consultation and social media, including developing an Engagement Strategy by December 2020, reviewing the operating model of North Talk and an events calendar.	Promoting Sustainable & Vibrant Communities	Executive Board	Linda Bird/Steve Maxey	The majority of 'business as usual' communications was put on hold at the start of the Covid 19 pandemic. Communications and engaging via social media has played a major role in the Council's response. Work on the next edition of Northtalk will start in September as will consideration of an	Green	↑

49	To develop an Economic Development Strategy focusing in particular on reducing the reliance on logistic industries in favour of industries promoted by the UK and WM Industrial Strategies, working with Warwickshire County Council, including projects which could attract funding from the proposed UK Shared Prosperity Fund, by December 2020	Supporting Employment & Business	Executive Board	Steve Maxey	A draft Economic Strategy will be presented to the Member Working Group looking at COVID 19 recovery	Green	↑
50	To continue to work with partner organisations in the Coventry, Warwickshire and Hinckley Joint Committee and West Midlands Combined Authority 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	Executive Board	Steve Maxey	A White Paper is expected from Government in September setting out the next steps in devolution to local areas	Green	↑
62	Examine the case for a sub-regional Planning Policy Framework for sustainable construction to ensure high levels of sustainability for new buildings in the Borough	Tackle Climate Change	Executive Board Planning & Development Board	Steve Maxey	This will be picked up as part of the joint work on spatial planning which has been delayed slightly due to the COVID outbreak	Amber	↑

NWPI Executive Board 20/21

Ref	Description	Section	Priority	Year End Target 202/21	Outturn 2019/20	April - Jun 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	98	98	Green	↑	There has been a large increase in the number of service request during the pandemic. 98% have been carried out within the 3 working day response time.
New	The number of LG & Housing Ombudsman complaints determined as maladministration	Policy Support	Public Services & Council Tax	0	0	0	Green	↔	No current complaints being investigated by the Ombudsmans.
NWLPI 162	Percentage of Freedom of Information replies dealt with within 20 days	Policy Support	Public Services & Council Tax	100	94%	77%	Amber	↓	119 Freedom of Information requests and 3 Environmental information requests received, 91 completed within 20 days, 16 over 20 days and 12 outstanding and overdue. In addition 5 data protection related requests received and dealt within specified timescales.
State of the Borough Indicators									
NWLPI 153	Number of burglary residential dwellings	Policy Support	Crime and Disorder	193	194	25	Green	↑	During quarter 1 the levels are continuing to reduce. Partnership problem solving meeting arranged for the 22/07/20.
NWLPI 154a	Number of violent offences with injury in the local authority area	Policy Support	Crime and Disorder	540	541	121	Green	↑	The levels of violence with injury are currently nearly 18% lower compared to the same period in 2019/20.
NWLPI 154b	Number of violent offences without injury in the local authority area	Policy Support	Crime and Disorder	969	970	285	Amber	↓	The levels of violence without injury are increasing and are currently nearly 26% higher. Domestic Abuse related violence without injury accounts for 45% of the offences. The increases will be given due consideration at the partnership problem solving meeting. Increases in domestic abuse are predicted due to the coronavirus lockdown restrictions.
NWLPI 155	The number of vehicle crimes in the local authority area	Policy Support	Crime and Disorder	581	582	90	Green	↑	During quarter 1 the levels of vehicle crimes are continuing to reduce. Problem solving plan was previously prepared to address spikes. Some increases are predicted following the lifting of the lockdown restrictions.

@NW:NI032	Violence Against the person with injury related to Domestic Violence Offences	Policy Support	Crime and Disorder	211	212	55	Green	↑	The levels of with injury related to domestic violence are lower than compared to the same period in 2019/20. The levels of violence with injury are reducing overall although there are more offences without injury being reported. Domestic aduse related offences account for 45% of the offences.
@NW:NI047	People killed or seriously injured in road traffic accidents	Policy Support	Crime and Disorder	62	42	4	Green	↑	Figures shown are for April and May only. The figures are maintaining a downward direction in the first two months.

Agenda Item No 12

Executive Board

21 September 2020

Report of the Chief Executive

Planning Consultations

1 Summary

- 1.1 This report summaries and provides comments on the recent consultations relating to Planning, including the White Paper "*Planning for the Future*".

Recommendation to the Board:

- a That the report be considered by Planning and Development Board and the LDF Sub-Committee; and**
- b That the Chief Executive, in consultation with the Leader, Chairs of the above Boards and Opposition Spokespeople, will send a response to meet the deadline of 1 October and 29 October for each of the consultations.**

2 Consultation

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

3 Introduction

- 3.1 On 6 August 2020, the Government published major changes to the Planning system. Some changes are discussed in the White Paper "Planning for the Future", whilst others are included in a consultation regarding proposed changes to the planning system. The consultation for the former runs for 12 weeks and closes at 11.45 pm on Thursday 29 October 2020, whilst the latter is open for comment until 1 October 2020.
- 3.2 The report will also be considered by the LDF Sub-Committee (1 October) and the Planning and Development Board (5 October). As both of these meetings are taking place after the closing date of the latter consultation, the Chief Executive, in consultation with the Leader of the Council and Opposition Spokespersons, will submit comments to meet the deadline of 1 October and then for the 29 October.
- 3.3 Although there are changes being proposed to the planning system in both papers that are interlinked, each paper will be taken in turn.

4 White Paper “Planning for the Future”

4.1 The White Paper sets out a wide-ranging package of proposals to reform the planning system. These can be summarised as:-

- Sets out three pillars for the future of planning:-
 - review how development is planned,
 - bring a new focus to design and sustainability, and
 - reform how infrastructure associated with development is delivered.
- It proposes long-term structural changes to the planning system, rather than more immediate amendments to existing processes.
- Move towards a zonal system with areas of England allocated as either Growth Areas, Renewal Areas or Protected Areas.
- Local Plans must be prepared from start to finish within 30 months and will be for 10 years, instead of the current 15 years.
- Local Plans will be digitised, with increased emphasis on map-based planning, to make development plans more accessible and reduce their length. The nature and process of public engagement will radically change, with increased emphasis on digitalisation of plans and method of engagement with increased interaction during plan-making.
- Reform of planning contributions, including the abolition of CIL and Section 106 Agreements intended to accelerate the delivery of development whilst continuing to provide affordable housing.
- A new Infrastructure Levy (IL) will capture land value uplift created by a planning approval and use this to enhance infrastructure delivery. Affordable homes delivered on-site would be offset against the proposed Levy, with First Homes also incentivised this way and to be sold at a 30% minimum discount to market homes.
- The changes are intended to ensure enough land supply comes forward over the Local Plan period.
- A revised Standard Method (part of the other consultation on planning reforms) will establish the housing requirement for an area and it will be the responsibility of local authorities to allocate sufficient land for housing.
- Adjoining authorities have the option to prepare plans on a joint basis and agree an alternative distribution of their housing requirement. Although the Duty to Co-operate is to be removed, there remains an unofficial duty for agreement across local authority boundaries to address areas of greatest need.

- First Homes is expected to take priority over other forms of affordable home ownership. For example, if a local plan required 30% of affordable housing to be shared ownership before, under the new rules it should require 25% First Homes and just 5% shared ownership.
- Proposal 12 suggests a Design and Place Making Chief Officer.
- Proposal 23 hints at resourcing - fees will still be set nationally, but the new IL could contain an element for plan making – paras 5.18/19.
- Enforcement to be “strengthened” although light on detail and resourcing – paras 5.29/30

5 **Observations on White Paper**

- 5.1 There is an emphasis on speeding up the planning system with automatic planning permission in growth and renewal areas. There is a tension in the logic of what is trying to be achieved. We all want a ‘better planning system’ – quicker, more involvement for the public, more certainty, more permissions of the right sort of development, more protection from the wrong sort and more delivery of what has been permitted. However, the White Paper in effect wants to change the Development Control/consideration of the final planning application into a more ‘rubber stamp’/tick box exercise. By this stage, only changes from the original scheme and the final detail should be discussed as all the matters of principle will have been agreed at the Plan making stage.
- 5.2 For this to work then, the allocations in the Local Plan, particularly the major allocations in the new Growth Areas, will need more detail and assurance that there are no technical reasons why the development approved in principle will not smoothly process through the Development Control part of the system, as the idea is that very few important matters will need deciding at that stage. Some level of assurance on delivery is currently undertaken at Local Plan stage, but it is suggested that this will need to increase and therefore rather than making Local Plans quicker and less complex, that process will need to look at things in more depth. With the possible exception of environmental controls, the White Paper doesn’t identify anything that is currently assessed – flooding, transport, open space, density, housing need, etc, – that will not need to be assessed in the future. If that is the case, then all that is proposed is to move the detailed discussion from the Development Control/planning application stage to the Local Plan stage. It might be quicker at one end, but slower at the other.

- 5.3 This then leads onto another tension – greater public involvement. Although there is mention of Neighbourhood Plans and community involvement, it is difficult at the present time to see how and where these will fit into the new system. In the current system, there is much less public interest in the Plan making stage for a variety of reasons. There is much more interest in the planning application stage. Unless a way is developed to change this, then the White Paper will just move the real decision to the stage that has less public involvement. One of the aims of the White Paper is to regain trust in the system, but that is likely to reduce trust – unless there is a change, people will get involved in an application and be told it's all been sorted 10 years ago. The White Paper should make it clear that there may be fewer 'physical' consultations in the future.
- 5.4 One solution to this may be to have a far more 'closed' development system. A reduced Plan from 15 years to 10 years might help but, if Local Plans were in effect the method of granting a rolling programme of 5 years' worth of housing, then the process could deal in one place with the principles (levels of housing, spatial distribution, etc) and provide all the detail required to grant an actual permission so that everyone would know what housing would be built to maintain 5 or more years housing for the needs of that area.
- 5.5 This would have to be accompanied with some sort of incentive system to make developers build. There are currently outstanding permissions for 1 million houses in the country – 3 years supply. There is very little in the White Paper about delivery – it is all demand side; two paragraphs in an 80 page document. If the desire is to increase certainty and 'planned-ness' then both sides of the demand and supply calculation need to be addressed.
- 5.6 There is also a link to trust here – one of the most frustrating things for Members and the public is when speculative schemes in areas not allocated are granted permission, particularly in circumstances where it is acknowledged that it's not a very suitable location but has only got through because, at a particular point in time, the Local Plan and controls are 'out of date'. This could result in more speculative schemes, ie, schemes that are furthest from delivery – sites put forward to take advantage of the current status of the Plan, but with none of the details needed for delivery having been agreed. This is even more the case because whether the Local Plan is out of date can be manipulated by developers not bringing sites forward for delivery. This constant move between 'out of date' and fully in force brings the system into disrepute. More certain in terms of permissions *and* delivery is therefore needed and not really addressed in the White Paper.
- 5.7 For this to be most effective, the door would then close and there would be far fewer opportunities for speculative development. Developers would know that only sites that have been taken through the Local Plan process will be developed, as there should be less risk of sites not coming forward if all the details have been considered and if there are incentives to actually develop. This will provide less flexibility in the system, but there needs to be an honest

appraisal of the fact that certainty comes at the expense of flexibility and vice versa.

- 5.8 There is no evidence put forward in the White Paper as to when land moves from a possible strategic asset holding status, to a definite development project. Our experience is that this isn't necessarily at allocation or even outline permission stage, but at detailed permission stage (and often even after that). If we are trying to get to the point where sites will actually get developed at the earliest point, then we need more evidence that an 'enhanced permission in principle' concept will move us along that route. The feeling is that it is only when an actual developer is on board and in project initiation mode that there is any certainty about housing starting to be built. If the Government wishes to increase the certainty in the system, then it might be better for Local Plans to grant in effect actual permissions, with financial penalties if not developed within, say, 5 years. The horse trading between landowners, option holders and developers therefore would have to come much earlier in the project promotion stage, bringing everything else forward with it.
- 5.9 One financial penalty could be for sites with permission, but not developed, to be charged business rates as a commercial property rather than, for example, as having an agricultural rating when the real value of land with permission is included in developer's asset sheets (but not taxed accordingly).
- 5.10 Overall, therefore, there is a significant tension at the heart of the proposal – simplifying, without taking much out; greater trust and involvement but moving the 'power'/decisions to the stage of the system that currently gets least public attention; trying to determine detailed matters too early in the process and not at the planning application or delivery stage; nothing on delivery; a 'cake and eat it approach' to certainty – clearer allocations but still leaving flexibility therefore not providing sufficient incentives in the system to clearly identify sites for enough housing that will actually be delivered because the work from a financial/business sense and also practically.
- 5.11 Given that 9 out of 10 applications are approved by local planning authorities and there are permissions for 1 million unbuilt homes, it could be argued that there is less of a problem than suggested in the White Paper and that more attention should be given to the supply side.
- 5.12 It is also not clear what will change other than for 'growth areas' – for protected areas (such as Green Belt) then we can 'justify more stringent development controls'; for renewal areas there would be a 'statutory presumption in favour of development being granted'. Members will recall these or very similar phrases being used for land within development boundaries or for land in the Green Belt.
- 5.13 The focus of the White Paper is clearly on housing with a lack of detail on how other development, such as employment land and renewable energy should be viewed. More detail is required.

- 5.14 The existing Local Plan system already allocates zones - land for different types of development and promotes good design and sustainable place-making. However, in the new system, once land has been zoned it is assumed that the land designated has 'permission in principle'. As mentioned above, public involvement is expected upfront, but this is often the most difficult time for members of the public to get involved as they cannot imagine the final development. There needs to be ways of making developments come alive and understood. This again has implications on the skills and resources available. Standardised mapping and the move to more digital formats should be welcomed. However, funding to assist with this should be a key requirement.
- 5.15 The ability of local authorities to adopt new technology for consultation and plan production needs further understanding to ensure this is adequately resourced. More detail is also required on the resources needed to deliver this, within LPAs and consultees. Impact on the Planning Inspectorate isn't mentioned either.
- 5.16 This fundamental change to the existing system will take time to become embedded by everyone involved, utilising a range of skill sets and, while a transitional period is indicated, it is not clear how long this would remain in place. Past experience suggests that such a large change could have the opposite effect initially to cause delay in the delivery of new plans and in timely decision-making and thus initially leading to less land being brought forward.
- 5.17 First Homes is discussed further below in relation to the other consultation, but within the White Paper there is no mention of delivering housing for rent, a significant recent contributor to meeting local housing needs.
- 5.18 On infrastructure, more openness does need to be brought to Section 106 Agreements, but they don't delay development significantly. Local Planning Authorities need more say in and over bigger infrastructure decisions – at the moment, it feels like we try to develop plans to 'squeeze' into what is going to happen with infrastructure. Whilst Local Plan allocations should reflect where people go in terms of transport, schools, community facilities, etc, allocations should also have more of a 'pull' impact on infrastructure. For example, as soon as land was allocated near to the A5, that gave much greater focus and consideration of whether to fund improvements to the A5.
- 5.19 The principle behind CIL was that it would reduce the complexity of the Section 106 process. Section 106 Agreements create a direct link between new development and the measures necessary to mitigate the effects of new proposals. It will be important for the new Infrastructure Levy (IL) to be able to address complex issues and ensure mitigation at a site level is adequately funded and infrastructure delivered at the time it is required.
- 5.20 The changes to planning contributions are quiet on the mechanism for delivering infrastructure such as schools and GP surgeries and it is unclear

how local authorities should deliver infrastructure where values fall below the proposed threshold for the new Levy.

- 5.21 Finally, in relation to the emerging Local Plan which is at examination it is strongly advised to continue to progress the current Draft Local Plan, otherwise we will have a gap of planning policy (even worse than our current situation).

6 Proposed changes to the current planning system (Consultation on changes to planning policy and regulations)

- 6.1 Below is a summary of the overall document before looking at each main proposal in more detail.

- The consultation sets out the government's proposed changes to the current planning system, which should be considered in conjunction with the White Paper: 'Planning for the future'.
- The measures are seen to improve the effectiveness of the current system.
- The four main proposals in the consultation are:-
 - i changes to the standard method for assessing local housing need;
 - ii securing of First Homes;
 - iii temporarily lifting the small sites threshold to support SME builders; and
 - iv extending Permission in Principle to major development.

- 6.2 Each of these main proposals will now be considered in turn.

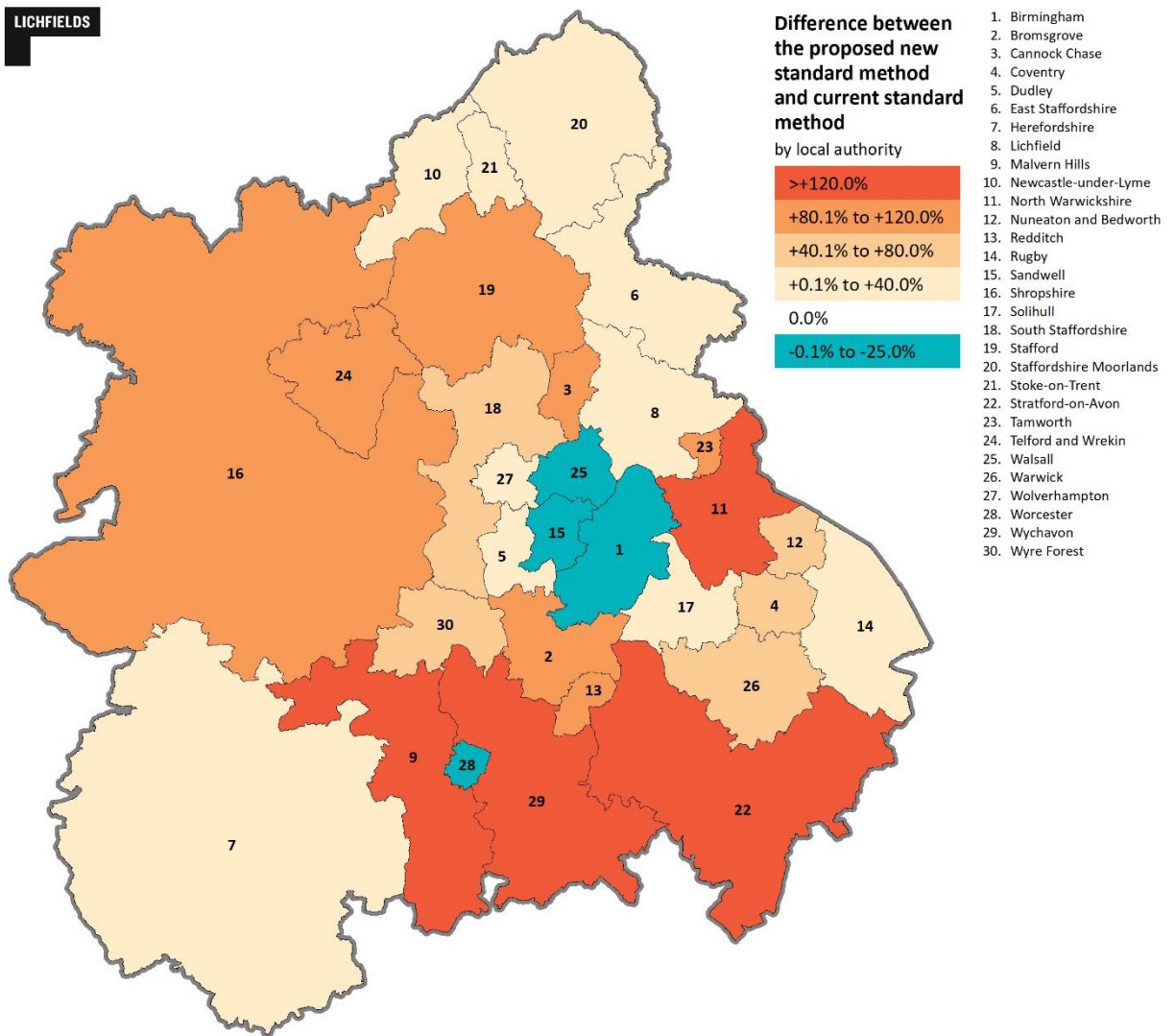
The Standard Method

- 6.3 The consultation proposes a revised standard method for calculating local housing need, which will be used as the basis for plans created prior to any changes outlined in Planning for the Future being introduced. A new element will be introduced into the standard method, a percentage of existing housing stock levels, which will take into account the number of homes that are already in an area. Household projections will be retained as part of the new blended approach which takes account of stock. An affordability adjustment will be introduced that takes into account changes over time, in addition to the existing approach of considering absolute affordability. Where affordability improves, this will be reflected by lower need for housing being identified. The consultation also proposes removing the cap which artificially suppresses the level of housing identified.

Observations:

6.4 Whilst having a set 10 year figure with no duty to co-operate and attempts to increase supply in high cost areas to bring prices down are all laudable, there are, however, real and obvious problems with the new methodology. The table below shows the projected impact.

		New LHN figure	Old LHN figure (source Lichfields)	Local Plan annual requirement*	2020-30 projections annual requirement	Average delivery last 3 years (Source Lichfields)		New LHN vs Old LHN	%	New LHN vs local plan annual requirement	%	New LHN vs 2018 house hold projection	%	New LHN vs last 3 years average delivery	%
	Cannock Chase	575	278	241	394	410		297	107%	334	139%	182	46%	165	40%
	Lichfield	423	321	478	191	538		102	32%	-55	-11%	233	122%	-115	-21%
	Newcastle-under-Lyme	395	355	285	323	303		40	11%	110	38%	72	22%	92	30%
	South Staffordshire	364	254	175	205	253		110	43%	189	108%	159	77%	111	44%
	Tamworth	305	149	177	72	209		156	105%	128	73%	233	322%	96	46%
	North Warwickshire	439	171	454	305	297		268	157%	-15	-3%	135	44%	142	48%
	Stratford-on-Avon	1,675	603	730	786	1321		1,072	178%	945	129%	889	113%	354	27%
	Birmingham	3,056	3,577	2555	2,216	3,003		-521	-15%	501	20%	841	38%	53	2%
	Dudley	880	636	806	661	692		244	38%	74	9%	219	33%	188	27%
	Sandwell	1,141	1,488	1,074	846	784		-347	-23%	67	6%	295	35%	357	46%
	Solihull	1,011	807	791	555	696		204	25%	220	28%	456	82%	315	45%
	Walsall	823	862	599	745	663		-39	-5%	224	37%	79	11%	160	24%
	Wolverhampton	844	750	671	698	688		94	13%	173	26%	147	21%	156	23%
	Bromsgrove	694	379	368	386	337		315	83%	326	89%	308	80%	357	106%
	Redditch	368	174	337	96	319		194	112%	31	9%	272	284%	49	15%
	GBBCHMA	12,600	10,449	9,456	8,154	10,210		2,151	21%	3,144	33%	4,446	55%	2,390	23%
	GBBCHMA conurbation	7,756	8,120	6,496	5,720	6,526		-364	-4%	1,260	19%	2,036	36%	1,230	19%
	GBBCHMA shires	4,845	2,329	2,960	2,434	3,684		2,516	108%	1,885	64%	2,410	99%	1,161	32%



6.5 Again, there is no real attempt to sort out delivery from the development industry. Allocating more houses to high cost/high demand areas will only work if it brings average prices down and that means increased delivery. Developers are unlikely to voluntarily 'kill the golden goose' and this may perpetuate high demand if supply levels are maintained at or just below demand levels which may have little effect on price. It also leaves areas with 'cooler' markets with less housing than they may need.

6.6 This is shown in the West Midlands were overall need for the Greater Birmingham and Black Country areas increases by 21% but there is a reduction in the conurbations, compared with a 106% increase in the Shire areas. Our figure is a 157% increase (old figure of 268 dpa, proposed figure 439) although, because of the Duty to Co-operate, this is actually less than the figure we have in our Local Plan (note, this may need to be adjusted upwards due to new projections under the current system).

- 6.7 The prospects for delivery don't seem to be considered. Reports as part of the calculation of the Greater Birmingham Housing Market need suggest it will be a stretch for the market to deliver this level of housing given the historic performance and need.
- 6.8 Overall therefore, this just seems to take a market signals or market led approach without any consideration of what the market is actually doing, or what we want it to do. Clearly, putting housing where people want to live is an important consideration, but reductions in our urban areas or cooler markets will have implications.
- 6.9 Further adjustments are suggested in the Planning White Paper, but the details aren't set out and therefore the effects cannot be fully assessed.
- 6.10 There are provisions for a transitional period, meaning there is the potential for local authorities to be working to four different methods for calculating their housing requirement. It is unclear how this change will affect development management decisions taken in the interim period.
- 6.11 Is a nationally set figure going to make things simpler and quicker at a Local Plan examination? In practice, and as expressed by the Housing Minister since publication of the White Paper, this is only seen as the starting point and will leave much still to debate at examinations.
- 6.12 The merits of the Affordability Adjustment are unclear as it appears to be trying to tackle a south-east issue, rather than considering the issue from a local perspective.

Delivering First Homes

- 6.13 The Government consulted on its First Homes proposals in February 2020. This included consultation around both the design of the First Homes scheme and changes to the planning system to support its delivery. The Government response to this consultation has been published and this consultation is now seeking views on the detail of the proposed changes to the current planning system.
- 6.14 The consultation proposes that a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy. Initially, these affordable housing units will be secured through Section 106 planning obligations, but eventually they would be secured through the Infrastructure Levy (Planning for the Future, Pillar Three).

Observations:

- 6.15 Affordable housing definition includes a wide range of housing, from socially rented through to low cost market. However, for North Warwickshire, it is considered that First Homes will only deal with a small amount of the housing need in the Borough. There is therefore a concern that the largest amount of need which is for socially rented accommodation will not be provided for. The approach being advocated does not appear to be flexible to allow for negotiations and changes to match local requirements.

Supporting Small & Medium-Sized Developers

- 6.16 SME builders have been declining in the long term and were hit hard by the last recession. There were 16% more builder and developer insolvencies in 2019 than in 2018, the vast majority of which were SMEs. They are now under further pressure due to Covid-19.
- 6.17 The consultation proposes raising the small sites threshold to up to either 40 or 50 new homes, through changes to national planning policy. This will be for an initial 18 month period whilst the impact of the raised threshold is monitored. The consultation proposes scaling up the site size threshold for affordable housing contributions at the same proportion as the increase in number of homes threshold.
- 6.18 The Government's aim is to reduce the burden of contributions on SMEs for more sites for a time-limited period during economic recovery from Covid-19.

Observations:

- 6.19 Support for SMEs in the short term is welcomed. However, there is concern that larger scale developers will become more interested in smaller sites, making the environment more challenging for SMEs.
- 6.20 Most developments in North Warwickshire are on small sites. A reduction in the ability to seek affordable housing provision will have a long-term impact on the Borough and will only push up need further.

Permission in Principle

- 6.21 This is designed to separate decision making on 'in principle' issues, addressing land use, location and scale of development from matters of technical detail, such as the design of buildings, tenure mix, transport and environmental matters. The aim is to give up-front certainty that the fundamental principles of development are acceptable before developers need to work up detailed plans and commission technical studies. It also ensures that the principle of development only needs to be established once. The consultation proposes removing the restriction on Permission in Principle for major development to expand the current Permission in Principle framework for housing-led development. The proposal imposes no limit for

commercial development space, provided that housing occupies the majority of the floorspace in the overall Permission in Principle scheme.

Observations:

6.22 Permission in Principle is similar to outline permission, except much of the work will fall to the Borough Council to ensure everything is in order. The proposed 28 day turn around is extremely unrealistic to make sure that developments comply with the requirements for the site. It may be cheaper, quicker and easier for a developer to come on to a site once all of the details have been ironed out, but there still needs to be a lot of work upfront. Master planning and design codes will be extremely important.

7 Report Implications

7.1 Finance and Value for Money Implications

7.1.1 It is unclear at the present time the exact financial implications of such big changes to the planning system. However, it is expected that there will be a need for investment in technology as well as training of both officers and Members.

7.2 Human Resources Implications

7.2.1 The exact implications on the two Planning Teams is unclear and will not become clear until details are forthcoming. A further report will be brought to Board once these emerge.

The Contact Officer for this report is Dorothy Barratt (01827 719250).

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 13

Executive Board

21 September 2020

Report of the Director of Streetscape

Request for a Supplementary Capital Scheme - Parking

1 Summary

- 1.1 Further to the Resource Board's consideration of a proposal to fund improvement works to Water Orton car park, this report seeks Members' approval of a supplementary estimate to enable the work to be undertaken.

Recommendation to Council

That the Board approves a supplementary capital sum of £85,000, to enable work at Water Orton Car Park.

2 Report

- ... 2.1 At its meeting held on 8 September 2020, the Resources Board considered the report attached at Appendix A, which proposed some work should be undertaken at Water Orton car park. Whilst the outcome of that Board's deliberations is not known at the time of writing this report, its approval of the report's recommendations would require the provision of a supplementary capital estimate of £85,000 to enable the work to be progressed.
- 2.2 Subject to the views of, and decisions made by, the Resources Board, Members are asked to approve a supplementary capital estimate of £85,000.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 An additional sum of £85,000 is required to undertake the work identified. Contributions of £26,000 are anticipated, to cover the provision of a height barrier and perimeter fencing. If the delegated highway funding is not available, the barrier and fencing works would not be undertaken and the total cost would be capped at £59,000.

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

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

Resources Board

8 September 2020

**Report of the
Corporate Director - Streetscape**

Parking in North Warwickshire

1 Summary

- 1.1 This report asks Members to note the submission of a joint application from Warwickshire County Council and North Warwickshire Borough Council to the Department for Transport to begin the formal process for the implementation of Civil Parking Enforcement across the Borough by 1 November, 2021 at the latest. It also asks Members to recommend that the Executive Board allocates funding within this year's capital programme to enable improvement works at Water Orton car park.

Recommendation to the Board

- a That Members note the formal submission of the application for the implementation of a Civil Enforcement Area to the Department for Transport with the aim of CPE being in place by 1 November, 2021 at the latest, and**

Recommendation to Executive Board

- b That a supplementary budget of £85,000 be added to this year's capital programme to fund improvement works to Water Orton car park**

2 Background

- 2.1 Civil Parking Enforcement (CPE) is the name given to the transfer of powers under the Traffic Management Act 2004 (Part 6) from the Police to local authorities for enforcing most on-street parking contraventions. The 2004 Act replaced Part 2 and Schedule 3 of the Road Traffic Act 1991 which allowed for the implementation of Decriminalised Parking Enforcement. On 16th March this year the Executive Board resolved to formally support the commencement of the application process.

3 Consultation with Stakeholders

- 3.1 In line with the formal implementation process the Borough Council wrote to twenty neighbouring authorities, MPs, statutory undertakers and other stakeholders to advise them of the Council's intention to apply to implement Civil Parking Enforcement in the Borough and to ask if they had any objections to the proposal. Reminders were sent out after 28 days to those bodies from whom we had not received a response. In total six responses were received, two in support of the application with the remainder raising no objections.
- 3.2 As part of the consultation and pre-application process the Council has applied to join the Traffic Enforcement Centre (TEC) and the Traffic Penalty Tribunal (TPT) which will have implications for the enforcement and appeal of both on-street and off-street parking penalties once Civil Parking is implemented.
- 3.3 As no objections were raised during the consultation process and given that the application process to both the TEC and TPT has begun, Warwickshire County Council submitted a joint application for the implementation of Civil Parking Enforcement to the Department for Transport on 28th July, 2020. The application process can take around twelve months, but a long-stop date for implementation has been set at 1st November, 2021 which is in line with the renewal date of the countywide parking enforcement contract.

4 Off-street Parking

- 4.1 As reported previously, on-street parking provision and its enforcement is only one part of the way that parking within North Warwickshire is managed. In order for North Warwickshire Borough Council to support better enforcement of on-street parking while continuing to provide sufficient off-street parking capacity, the Council will need to ensure that its car parks are managed and enforced effectively and in a way which complements the provision and enforcement of on-street parking.
- 4.2 Now that the application process for CPE has begun, it is intended that the Parking Task & Finish Group should reconvene at the earliest opportunity to consider the implications for off-street parking and to recommend how the Council's car parks should be operated to deliver the required capacity for residents, businesses, shoppers, commuters and visitors. As part of this review, the Council's financial position and the associated need to save money and increase income must be an important consideration in any future parking management strategy.

5 Water Orton Car Park

- 5.1 The main off-street car park at Water Orton is owned and operated by North Warwickshire Borough Council. It is situated adjacent to the railway station and currently has capacity for 44 cars with three additional spaces reserved for disabled users. Given its proximity to the station the car park is predominantly used as a long-stay car park by commuters travelling to Birmingham. Although its use as a commuter car park has reduced during the coronavirus pandemic, the number of long-stay users is beginning to rise again as the Country emerges from lockdown and people begin to return to more traditional ways of working. During normal times, as the car park effectively operates as a station car park during the working week, it is often unavailable for local residents to use for short stays. This causes particular issues for visitors to the nearby flats and houses and to those wishing to use the shops further along Birmingham Road which have limited parking of their own.
- 5.2 In order to increase capacity at the car park and to meet the needs of both commuters and local residents, it is proposed that the car park is remodelled to increase its capacity to 55 spaces plus 3 disabled bays. In addition, two further bays would be installed equipped with electric vehicle (EV) charging points. As part of the civil engineering works, it is proposed that the groundworks, utilities and other infrastructure are included to enable the available EV points to be increased and pay & display machines to be installed in future if required.
- 5.3 The parish council and local Borough Council Members are also looking at additional improvements to the site and it has been suggested that delegated highway funding could be made available to provide a height barrier and perimeter fencing. The total cost of the suggested works including the perimeter fencing, height barrier, future P&D machines, signage and any contingencies would be around £85,000. The Board is asked to recommend to the Executive Board that provision for that amount is made available in this year's capital programme to fund the works. In the event that the delegated highway funding is not available, the barrier and fencing works would not be undertaken and the total cost would be capped at £59,000. A suggested layout plan of the car park is included at Appendix A.
- ...
- 5.4 Should approval for the requested funding be given, it is proposed that the Parking Task & Finish Group should decide (in consultation with local stakeholders) the best mix of short stay and long stay parking and what restrictions on usage (including waiting times) should be put in place. Members of that Group will also be asked to consider how revenue from parking from long-stay users might be generated to cover the initial and ongoing costs.

6 Report Implications

6.1 Financial Implications

- 6.1.1 In the event that capital funding is approved for the proposed works at Water Orton car park, the net capital cost to the Council will be £59,000. This sum includes provision for the future deployment of P&D equipment which would enable the Council to generate sufficient revenue to repay the initial capital costs and cover future operational and maintenance expenses.

6.2 Safer Communities Implications

- 6.2.1 The appropriate provision, management and enforcement of on-street and off-street parking can have an impact on local communities and the safety of the road network.

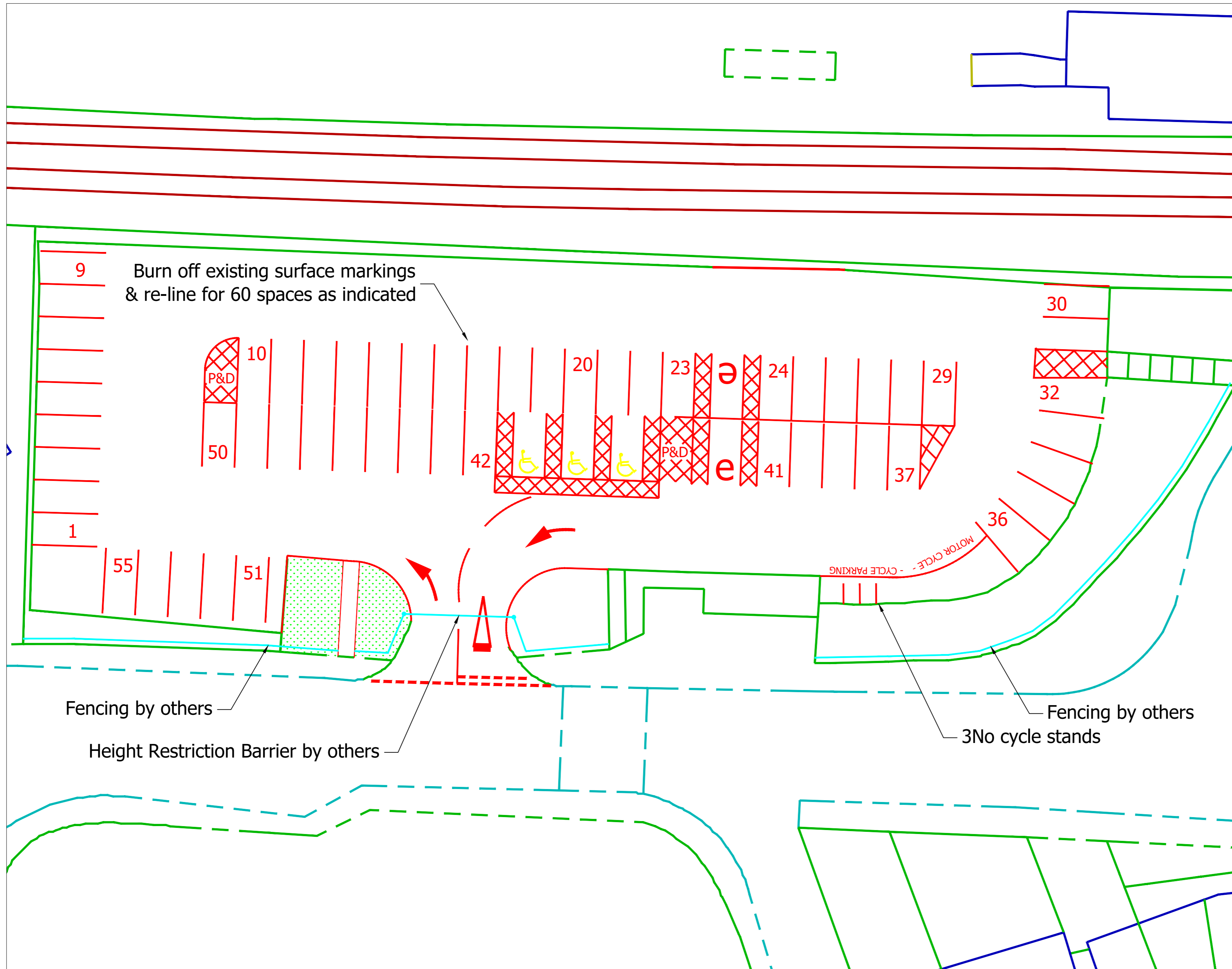
6.3 Sustainability Implications

- 6.3.1 Effective parking policies, properly managed and enforced can significantly improve the local environment. The provision of EV charging points at Water Orton car park (with built-in capacity for future expansion) will help in the move towards low carbon vehicle technology. Officers are working with WCC on a countywide project looking to install on-street and off-street EV charging points at various locations across Warwickshire.


6.4 Equalities Implications

- 6.4.1 Effective off-street and on-street parking provision and enforcement should meet the needs of car users with disabilities and improve accessibility. Provision for disabled users is included in the proposed Water Orton scheme.

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



No. Revision By Date

 R Dobbs, BSc(Hons), MSc, MCIWM, Cenv
Corporate Director - Streetscape
North Warwickshire Borough Council
Council House
Alberstone
Warwickshire
CV9 1DE
Tel: 01827 715 341

Project
**Birmingham Road Car Park
Water Orton**

Drawing Title
Proposed Layout

Drawn By: **KWE**
Date: **June'20**

Scale: **1:200**
Site: **A2**
File:

Agenda Item No 14

Executive Board

21 September 2020

Report of the Head of Legal Services and Monitoring Officer

Delegation of Powers – unlawful encampments

1 Summary

- 1.1 This report makes a proposal to delegate powers to officers to enhance the enforcement process for dealing with unlawful occupation of land in the Council's area.

Recommendation to the Executive Board

- a That the powers in sections 77 and 78 of the Criminal Justice and Public Order Act 1994 are delegated to the Chief Executive and the Head of Legal Services and Monitoring Officer; and**
- b That guidelines in relation to when those powers should be used are adopted by the Council to make it clear when enforcement action is appropriate; and**
- c That the Council considers taking steps to mitigate any harm which is caused by encampments in appropriate cases.**

2 Overview

- 2.1 At present the Council uses various powers to deal with unlawful occupation of land within the Borough. Depending on the circumstances of individual cases, it can take some time to deal with an encampment and, in certain circumstances, the powers which are currently delegated to Officers do not allow the Council to deal with encampments on land which is not under its control.
- 2.2 Delegation of the powers proposed in this report would allow the Council to expedite the process in appropriate cases and to take action in relation to land which is not under its direct control. This will increase the options available to the Council so that, where it is necessary to do so, the Council can limit problems caused by unlawful occupation of land.

3 Current Position

- 3.1 At present the Council has two options when land is unlawfully occupied by people in vehicles and/or caravans as is set out in the following two subparagraphs.
- a) Where the land belongs to the Council or is under its control and the occupiers have entered it as trespassers, possession proceedings can be commenced in the County Court or High Court. This process can be costly and take some time to complete, in particular since, even when a Court Order is obtained, the Council has to rely on Court Enforcement Officers to enforce the Order.
 - b) Where the land is not owned or controlled by the Council, if the land is occupied in breach of planning control, an application can be made to the High Court for an injunction to prevent it being occupied. This power is often used where a person purchases land in the Borough and either does not apply for planning permission or starts occupying the land whilst a planning application is being made or an appeal considered. Depending on the issues involved, this can also be a lengthy process.
- 3.2 Before the Council takes either sort of enforcement action it must have regard to the occupiers' needs, whether any support should be provided to them by the Council or partner agencies, and/or whether action should be delayed until any such needs have been met.
- 3.3 These powers do not allow the Council to take action where people unlawfully occupy land which is not owned by the Council or which is owned by third parties who do not consent to those people occupying the land with vehicles and/or caravans.
- 3.4 Board members will be aware that at times unauthorised encampments arise in the Borough and can impact on the use of public spaces or facilities or result in problems being caused for occupiers of nearby properties. Where that land is not owned by the Council then the Council is not able to act to recover possession of the land concerned or to limit the impact on those occupiers.
- 3.5 If the land concerned belongs to a parish council or is under their control, the parish council can have difficulties in dealing with the issue due to a lack of resources and inhouse expertise. In some cases this can have a negative effect on neighbouring occupiers.

4 Criminal Justice Act Powers

- 4.1 Powers contained in the Criminal Justice and Public Order Act 1994 allow the Council to take action in relation to unauthorised encampments if persons in vehicles are residing on any land in the open air which:
- a) forms part of a highway; or
 - b) is unoccupied; or;
 - c) is occupied, but those persons are present without the consent of the occupier.

- 4.2 The process allows the Council to serve a direction requiring the occupiers to leave the land and, if they fail to do so, to issue proceedings in the Magistrates Court for an Order to require them to do so. It is also an offence to fail to comply with the direction however, in practice, since the objective is to obtain possession of the land concerned, it is not usually beneficial to prosecute for that offence, as making an application for an order for possession is usually more effective. It is a defence to any prosecution if a person shows that they could not leave the land due to a mechanical breakdown or other immediate emergency.
- 4.3 If an order is obtained then the Council may take steps to enforce it including entering the land and ensuring that any vehicles etc. are in a suitable condition to be removed. The Council can engage private enforcement officers to enforce an order, meaning that it is not necessary to wait until the Court can set a date for this.
- 4.4 Guidance and case law make clear that these powers should be used in a proportionate manner meaning it will still be necessary to make enquiries in to the circumstances of the occupiers of the land to establish whether there are any reasons why enforcement action should not be taken or should be delayed for a short time. Further, as with any enforcement power, the Council should adopt some guidelines which indicate those cases in which action should be taken and those cases in which it is not appropriate to do so, or when any action should be delayed and the presence of the persons concerned should be tolerated for a short period. The Council should also consider any steps that it can take to mitigate any harm that is being caused at the site. Appendix 1 sets out examples of factors which support enforcement action and those which suggest it is not appropriate, together with steps that can be taken to mitigate any harm being caused. It should be noted that the competing factors must be carefully evaluated in any particular case; it is not a matter of simply counting up the number of factors for and against commencing action.

5 Benefits to delegating the powers and adopting guidelines

- 5.1 If this power is delegated to both the Chief Executive and the Head of Legal Services and Monitoring Officer it will allow the Council to use these powers in appropriate cases where people in vehicles enter and reside on land as trespassers. The process is usually quicker than proceedings in the County or High Court and can be more cost effective.
- 5.2 In particular, delegation of the powers will allow the Council to serve a direction and obtain a possession order in relation to land which it does not own or control, allowing it to step in in appropriate cases to assist parish councils or private land owners whose land is occupied to prevent disruption to the community.
- 5.3 By adopting guidelines in relation to when these (and other similar enforcement powers should be used) the Council will be able to demonstrate that it is complying with relevant statutory responsibilities, guidance and case law.

6 Conclusion and Recommendation

- 6.1 Use of these powers will allow a more streamlined enforcement process to be used in appropriate cases. In appropriate cases it will allow the Council to obtain Court Orders for possession more quickly than those powers currently used. It will also allow the Council to offer support to other landowners in appropriate cases. The Council could still use the powers referred to in paragraphs 3.1.1 and 3.1.2 above if appropriate in specific cases.
- 6.2 For these reasons, it is recommended that the Council considers delegating the powers to the Chief Executive and the Head of Legal Services and Monitoring Officer. In order to complement that delegation and show that the Council only uses the powers in appropriate cases, it is also recommended that the guidelines in Appendix 1 are adopted, along with the steps which can be taken to mitigate any harm being caused by an encampment.

7 Report Implications

7.1 Finance and Value for Money

- 7.1.1 The Court Fee currently paid in the County and High Court range between £355.00 and £528.00, depending on the specific claim. The fee in the Magistrates court is currently £226.00. Further, it will not usually be necessary to instruct counsel to appear in the Magistrates court meaning that the cost of attending hearings will usually be lower.
- 7.1.2 Eviction costs in the High Court are based on the value of the land however, the Council must pay for any costs of removing vehicles and clearing up the site. These costs will remain the same. There may be some costs associated with the measures proposed to mitigate any harm that might be caused by an encampment however, these will usually be less than the costs of any remedial works which might be required.

7.2 Safer Communities Implications

- 7.2.1 The Council will continue to work with the police and other agencies in relation to management of unlawful encampments to enable the police to use their powers in cases which justify doing so.

7.3 Human Resources Implications

- 7.3.1 Council staff already assess sites, attend multi-agency meetings and prepare legal proceedings in relation to unlawful encampments so there will be little difference to the current demands on staff time.

7.4 Equality Implications

- 7.4.1 Those who unlawfully enter and occupy land with vehicles are frequently (although not in every case) members of Irish, English, Romany or other traveller groups. Each of these are considered as distinct races for the purposes of the Equality Act and other similar legislation. Accordingly, the Council must consider carefully whether use of the powers suggested would amount to direct or indirect discrimination and whether this would breach the Council's public sector equality duty. The Council should also consider the availability of legal stopping places in the Borough to which those who may be

evicted could move when deciding whether to use its powers to remove persons from land.

7.4.2 By adopting guidelines which focus clearly on the impact of any particular encampment and ensuring these are carefully considered in any particular case the Council will be able to demonstrate that the powers are only used in cases in which there is a clear need to do so.

7.4.3 An equality impact assessment should be carried out when considering whether powers should be used.

7.5 Legal Implications

7.5.1 The relevant legal provisions are referred to in the body of this report. It should be emphasised however, that the Council must take proper account of the potential impact on the groups referred to at paragraph 7.4.1.

The Contact Officer for this report is Clive Tobin (719251).

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

Appendix 1

Factor suggesting that eviction is appropriate

Damage caused to the land in order to gain entry

No immediate health or other needs of occupiers

Evidence of fly-tipping, litter or other deposits caused by those on the land

Evidence of businesses being run from the land which are causing nuisance or pollution

Noise affecting neighbouring occupiers

Threats of violence / anti-social behaviour toward neighbouring occupiers

Vehicles entering / leaving the site causing traffic problems

Occupiers are preventing use of a community facility / disruption to legitimate use of the land

Factors suggesting that eviction is not appropriate

No damage caused in order to gain entry

Health needs of occupiers, ongoing medical treatment nearby

Short term occupation only

Small group

Orderly and clean site

No pollution, fly-tipping, threats or anti-social behaviour caused

Vehicles not causing problems around the site

Occupiers could potentially move to other site nearby which would have a greater impact on the community

No immediate impact on use of the land or community facility

Land owner has failed to properly secure the site leading to multiple encampments

Measures to mitigate nuisance

Provision of rubbish bags / collections

Provision of skips for household (not trade or commercial) waste

Provision of clean drinking water

Advice as to using the site in a less harmful manner, relocating vehicles to be further away from neighbouring occupiers

Agenda Item No 15

Executive Board

21 September 2020

**Report of the Head of Legal Services
and Monitoring Officer**

**Amendment of Constitution –
voting and signature of
documents**

1 Summary

- 1.1 This report proposes amendments to the Constitution to make further provision for voting at remote meetings and to allow electronic signatures on certain documents required to be served under the Constitution.

<p>Recommendation to the Council</p> <p>a) That Standing Order 45 is amended to require voting by roll-call as indicated in paragraph 2.5 below; and</p> <p>b) That Standing Order 45 is amended to permit electronic signature of certain documents during restrictions which are in place due to Covid19 pandemic as indicated in paragraph 2.8 below.</p>

2 Report

2.1 Voting

2.1.1 Members will be aware that following the introduction of lockdown measures earlier this year to prevent the spread of the Coronavirus, new regulations were introduced to allow local authorities to hold its meetings remotely. In turn, at the Council's Annual Meeting on 20th May, the Council introduced additional Standing Orders which apply to those remote meetings. A copy of those Standing Orders appears at Appendix 1.

2.1.2 The law states that all questions coming or arising before a local authority are to be decided by a majority of the members of the authority present and voting thereon at a meeting of the authority. The person who is presiding may cast a second or casting vote in the case of equality of votes. This means that an active voting process must be used, and it is not permissible to indicate the answer to a question without a vote being taken; silence can not indicate the intention of the body concerned.

2.1.3 The new regulations which were introduced earlier this year still require decisions to be made by way of a vote however, they do allow local authorities to make additional standing orders as to how a vote is conducted.

2.1.4 Standing Order 45 which was introduced to facilitate remote meetings states:

‘45.13 The voting form available on the Teams meeting appointment will be used at remote meetings.

45.14 If a recorded vote is called for, the lead Officer will perform a roll-call of all members present and ask them to state their voting intention (For, Against or Abstain). These will then be counted and recorded.

45.15 At the conclusion of the voting the chairman shall announce the numbers of votes cast for, against and abstentions and announce whether the motion has been passed or lost.’

2.1.5 There have been some difficulties using remote voting form in the Teams meeting facility, causing delays whilst votes are cast or where checks are required as to who has cast their vote. Unfortunately, due to the manner in which participants are displayed on screen in Teams meetings, it is not possible for the Chair of the body concerned to simply count a show of hands. For this reason, it is proposed that the process of voting at remote meetings is amended. It is proposed that Standing Order 4513 is amended to read:

‘45.13 Votes on all questions at remote meetings held via MS Teams will be taken by means of a roll-call.

45.14 The Chair of the body concerned, or the lead Officer on their behalf, will perform a roll-call of all members present and ask them to state their voting intention (For, Against or Abstain). These will then be recorded and counted.

45.15 At the conclusion of the voting the Chair shall announce the numbers of votes cast for and against, and abstentions, and announce whether the motion has been passed or lost.’

2.2 Notices

2.2.1 Members will be aware that there are various processes in Standing Orders in the Council’s Constitution which require notice to be given to the Council or to specified officers. Members will also be aware that some of these provisions allow that notice to be given by electronic mail. For example, a member may submit a question to the Chairman of a body under Standing Order 7(3) electronically and a member of the public may also do so.

2.2.2 There is however, no provision in Standing Orders which allows the majority of notices to be given electronically. The Local Government Act 1972 was amended in 2015 to allow members to receive a summons for a meeting electronically, but otherwise makes clear and specific provision in relation to the manner in which most notices are given to and by local authorities, and how

public notices are to be given, namely that they are given in written 'paper form'. The Council does however, have some discretion in relation to the manner of giving notice under its internal Standing Orders and could allow this to be done electronically in many instances. Electronic notice can not be allowed in relation to formal documents which must be served on the Council under the Local Government Act 1972, such as a declaration of office or resignation of office. Separate legislation also applies in relation to notices required to be given in relation to election nominations.

- 2.2.3 During the Coronavirus pandemic it has proven difficult for members to give notice in 'paper form' in some instances. For that reason it is proposed that Standing Order number 45 is amended to read:

'45.20 During the time that measures are in force for the purpose of restricting the spread of the Coronavirus and whilst the Council is permitted to hold remote meetings, any notice which is required to be given by a member of the Council under Standing Orders may be given electronically. During that time any signature which is required on any such document may also be attached electronically.

45.21 Standing Order 45.20 does not apply in relation to a formal notice which is served under the Local Government Act 1972 or other legislation, such as a declaration of acceptance of office or resignation of office or in relation to nominations for elections.'

- 2.2.4 It is proposed that these amendments remain in place during the time that legislation allows the Council to hold meetings remotely. Following the repeal of that legislation a review can be carried out and further provision made if considered necessary.

3 Report Implications

3.1 Legal and Human Rights Implications

- 3.1.1 The legal implications are mainly set out in the body of this report. The proposals will ensure that the Council remains compliant with the legislation concerned. In relation to voting, the recommendation will ensure that the Council can show that any resolution was passed in accordance with the relevant legislation.

3.2 Links to Council's Priorities

- 3.2.1 Good governance in decision making supports the Council's Priority of Responsible Financial and Resource Management.

The Contact Officer for this report is Clive Tobin (719251).

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 16

Executive Board

21 September 2020

**Report of the Head of Legal Services
and Monitoring Officer**

**Appointment to Boards and
Outside Bodies**

1 Summary

- 1.1 This report proposes appointments to certain Boards and Sub-Committees following Councillor Lebrun's cessation of membership of the Conservative Group, together with appointment of members to certain outside bodies.

Recommendation to the Council

- a) That Councillor Lebrun is appointed as a member of the bodies referred to in paragraph 3.4 below;
- b) That, in order to facilitate the above, one member of the Conservative Group to be nominated at the meeting, ceases to be a member of the Licensing Committee and Safer Communities Sub-committee;
- c) That a further Councillor be appointed as the Council's representative on the Adult Social Care Overview and Scrutiny Committee in place of Councillor Bell; and
- d) That a further nomination be agreed to the Coleshill Grammar School Endowment Foundation.

2 Consultation

- 2.1 Councillor D Wright has been sent an advanced copy of this report for comment. Any comments received will be reported verbally at the meeting.

3 Report

Appointment to Boards

- 3.1 Members will be aware that the Council is split into political groups. Legislation requires the Council to allocate the seats on various bodies, such as Boards, Committees and Sub-committees in proportion to the number of members of

each political group, and to give effect to those allocations. The legislation also requires the Council to review the membership of those bodies and the allocation of seats at particular times, including when the members of the Council are split into those political groups.

- 3.2 These requirements are repeated in the Council's Constitution which states that at the Annual Meeting of the Council it shall appoint such Boards, Committees, Panels and Portfolio holders as it is required to appoint, and will decide how many members will serve on each. It also states that the Council can at any time dissolve or alter the membership of any Board, Committee, Panel or Body.
- 3.3 Members will further be aware that in July of this year Councillor Lebrun gave notice for cessation of her membership of the Conservative Group and is not an independent member of the Council rather than a member of a political group. In accordance with its Constitution and previous practices, this authority allocates seats on Boards, Committees, Panels and Bodies to independent members. At this time it therefore falls to the Council to review its allocation of seats and re-allocate these accordingly.
- 3.4 It is now proposed that Councillor Lebrun:
- a) continues to be a member of the Community and Environment Board;
 - b) is appointed as a member of the Licensing Committee; and,
 - c) Is appointed as a member of the Safer Communities Sub-committee.
- 3.5 In consequence of Councillor Lebrun's appointment to those bodies, it will be necessary for one member of the Conservative Group to cease to be a member of each of the Licensing Committee and the Safer Communities Sub-committee.

Appointments to Outside Bodies

- 3.6 Members will also be aware that the Constitution makes provision for the appointment of members to Outside Bodies. These appointments are also made at the Annual Meeting of the Council, although Executive Board has delegated authority to make such appointments.
- 3.7 At the Annual Meeting of Council in May this year appointments were made to a number of bodies. The Council appointed Councillor Bell to be a member of the Warwickshire County Council Adult Social Care Overview and Scrutiny Committee. Councillor Bell has however, in her capacity as a member of Warwickshire County Council been appointed as a member of that Committee, meaning that is not appropriate for her to also be a member appointed from an external organisation such as North Warwickshire Borough Council. In order for this Council to continue to be represented on that Scrutiny Committee, it is now proposed that Councillor Macdonald be appointed as this Council's representative on that Committee.

3.8 Further, at Annual Council only one appointment was made to the Coleshill Grammar School Endowment Foundation however, this Council has a right to make two nominations to that body. The previous nomination was Ben Henry, a resident of the Borough, who was originally proposed when the appointment was made by Area Forum South. It is a matter for Councillors whether to, amongst other things, re-nominate Mr Henry or appoint a Councillor.

3.9 Accordingly, Members are asked to make a nomination to that role.

4 **Report Implications**

4.1 **Legal and Human Rights Implications**

4.4.1 The legal implications are mainly set out in the body of this report. The Council is required to review its allocation of seats to political groups in accordance with the legislation concerned and the Constitution. Carrying out the review and allocating seats will ensure that the Council meets its obligation to do so.

4.2 **Links to Council's Priorities**

4.2.1 Good governance in appointment of members to Council Board, Committees and Sub-committees and appointment of members to outside bodies supports the Council's Priority of Responsible Financial and Resource Management.

The Contact Officer for this report is Clive Tobin (719251).

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