

Executive

Wednesday 7 February 2018

A meeting of the Executive will be held at the Town Hall, Royal Leamington Spa on Wednesday 7 February 2018 at 6.00pm.

Membership:

Councillor A Mobbs (Chairman)	
Councillor N Butler	Councillor A Rhead
Councillor M Coker	Councillor A Thompson
Councillor M-A Grainger	Councillor P Whiting
Councillor P Phillips	

Also attending (but not members of the Executive):

Chair of the Finance & Audit Scrutiny Committee	Councillor Barrott
Chair of the Overview & Scrutiny Committee and Whitnash Residents' Association (Independent) Group Observer	Councillor Mrs Falp
Labour Group Observer	Councillor Quinney
Liberal Democrat Group Observer	Councillor Boad

Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

Agenda

1. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter. If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

2. Minutes

To confirm the minutes of the meetings held on 4 January 2018 **(To follow)**

Part 1

(Items upon which a decision by Council is required)

3. **2018/19 General Fund Budget & Council Tax**
To consider a report from Finance (Pages 1 to 96)
4. **Treasury Management Strategy 2018/19**
To consider a report from Finance (Pages 1 to 26)
5. **Housing Revenue Account (HRA) Budget 2018/19 and Housing Rents**
To consider a report from Housing (Pages 1 to 13)
6. **Heating, Lighting and Water Charges 2018/19 – Council Tenants**
To consider a report from Housing / Finance (Pages 1 to 7)

Part 2

(Items upon which the approval of the Council is not required)

7. **Creation of additional car parking provision in Leamington**
To consider a report from Neighbourhood Services (Pages 1 to 29)
8. **Recommendations for the Commissioning of Voluntary and Community Sector services for 2018-2021**
To consider a report from Health & Community Protection (Pages 1 to 22)
9. **Business Improvement District (BID) Leamington – Recommendation on voting position**
To consider a report from Development Services (Pages 1 to 6)
10. **Private Sector Leasing Scheme**
To consider a report from Housing (Pages 1 to 6)
11. **Leisure Development Programme – Phase II (Kenilworth)**
To consider a report from Cultural Services (Pages 1 to 23)
12. **Events Review Update**
To consider a report from Development Services (Pages 1 to 23)
13. **2018/19 ICT Services Digital Work Programme**
To consider a report from ICT Services (Pages 1 to 19)

14. **Investment in Newbold Comyn Arms Manor House**

To consider a report from Deputy Chief Executive (AJ) **(Pages 1 to 11)**

15. **Investment in Playbox Theatre**

To consider a report from Deputy Chief Executive (AJ) **(Pages 1 to 18)**

16. **General Reports**

**(A) Rural and Urban Capital Improvement Scheme (RUCIS)
Application** **(Pages 1 to 12)**

(B) Significant Business Risk Register **(Pages 1 to 23)**

17. **Public and Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006, as set out below.

Item Nos.	Para Nos.	Reason
22	1	Information relating to an Individual
22	2	Information which is likely to reveal the identity of an individual
18, 19, 20, 21 & 23	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

18. **Proposed purchase of the site of the former Stoneleigh Arms, Royal Leamington Spa**

To consider a report from the Deputy Chief Executive (BH) **(Pages 1 to 7)**
(Not for publication)

19. **Confidential Appendix to Item 9 - Business Improvement District (BID) Leamington – Recommendation on voting position** **(Pages 1 to 36)**
(Not for publication)

20. **Confidential Appendix to Item 14 - Investment in Newbold Comyn Arms Manor House** **(Pages 1 to 80)**
(Not for publication)

21. **Confidential Appendix to - Item 15 - Investment in Playbox Theatre** **(Pages 1 to 61)**
(Not for publication)

22. **ICT Services Redesign**

To consider the report from ICT Services

(Pages 1 to 5)
(Not for publication)

23. **Minutes**

To confirm the confidential minutes of the meetings held on 4 January 2018

(To follow)
(Not for publication)

Agenda published 29 January 2018

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

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E-Mail: committee@warwickdc.gov.uk

For enquiries about specific reports, please contact the officers named in the reports
You can e-mail the members of the Executive at executive@warwickdc.gov.uk

Details of all the Council's committees, Councillors and agenda papers are available
via our website www.warwickdc.gov.uk/committees

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

The agenda is also available in large print, on request, prior to the meeting by calling 01926 456114.

 Executive 7 February 2018 Council 21 February 2018		Agenda Item No. 3
Title	2018/19 General Fund Budget and Council Tax	
For further information about this report please contact	Mike Snow 01926 456800 Jenny Clayton 01926 456013	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	29 November 2017 – Base Budget report	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/01/2018	
Head of Service	22/01/2018	Mike Snow
CMT	22/01/2018	
Section 151 Officer	22/01/2018	Mike Snow
Monitoring Officer	22/01/2018	Andrew Jones
Finance	22/01/2018	Jenny Clayton
Portfolio Holder(s)	22/01/2018	Peter Whiting
Consultation & Community Engagement		
Final Decision?		Yes – by Council
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This Report informs Members on the Council's financial position, bringing together the latest and original Budgets for 2017/18 and 2018/19, plus the Medium Term Forecasts until 2022/23. In doing so it advises upon the net deficit from 2022/23 and the savings required to balance future years' Budgets.
- 1.2 The report seeks Members approval of the following-
- Latest Budget 2017/18
 - Original 2018/19 Budget
 - This Council's Band D Council Tax charge for 2018/19
 - 5 Year Capital Programme
 - Prudential Indicators for 2018/19.
 - To note the latest Reserves and Schedules, approving the relevant transfers.
 - Financial Strategy
 - Equipment Renewal and ICT Replacement Schedules
 - Ear Marked Reserve Requests for slippage to 2018/19 Budgets
 - Appropriation of New Homes Bonus and General Fund balances.
- 1.3 This report will be presented to Full Council alongside a separate Report recommending the overall Council Tax Charges 2018/19 for Warwick District Council.
- 1.4 Despite significant cuts in Government Funding, this Council has been able to set a balanced Budget for 2018/19 without having to reduce the services it provides. This has been the case for many years as a result of the Fit for the Future Programme it has adopted. It has not had to rely on New Homes Bonus to support core revenue spending and has been able to allocate this funding to project work and replenish reserves. Alongside this the Council has achieved a surplus on its 2017/18 Budget. However, the Council's financial projections show that further savings need to be secured from 2019/20 onwards.

2. **Recommendations**

The Executive recommend to Council to approve or to note:-

- 2.1 The proposed changes to 2017/18 Budgets detailed in Section 3.2.
- 2.2 The Revised 2017/18 Budget of Net Expenditure of £14,855,500 (Appendix 1) after allocating a surplus of £110,300 (paragraphs 3.2.1 and 3.2.6).
- 2.3 The Earmarked Reserves Requests at Appendix 2 (paragraph 3.2.5).
- 2.4 The proposed changes to 2018/19 Base Budgets detailed in Section 3.3.
- 2.5 The proposed Budget for 2018/19 with Net Expenditure of £18,742,200 taking into account the changes detailed in section 3.3 and which is summarised in Appendix 3.
- 2.6 Subject to the acceptance of the current Local Government Employers' pay offer, to increase the current Living Wage hourly rate of £8.45 by 2% to £8.62.

- 2.7 Subject to approval of the above Budget 2018/19, the Council Tax charges for Warwick District Council for 2018/19 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows:-

	£
Band A	107.91
Band B	125.89
Band C	143.88
Band D	161.86
Band E	197.83
Band F	233.8
Band G	269.77
Band H	323.72

- 2.8 Approve the 2018/19 proposed New Homes Bonus of £2,482,111 is allocated as follows, as detailed in paragraph 3.13.1:

New Homes Bonus - 2018/19 Allocation	£
	2,482,111
Waterloo	-170,287
Whitnash Hub	-350,000
WW1 Commemorations	-10,500
Commonwealth Games - Bowls	-100,000
Car Parks Displacement Reserve	-800,000
Community Projects Reserve	-1,051,324
Total Allocated	-2,482,111

- 2.9 Approve the Financial Strategy (para 4.2 and Appendix 4).
- 2.10 Approve the ICT Replacement and Equipment Renewal Schedules (Section 3.10).
- 2.11 The creation of the Planning Investment, Harbury Lane, Commonwealth Games and Homeless Prevention Reserves in Section 3.10
- 2.12 Approve the General Fund Capital and Housing Investment Programmes as detailed in Appendices 10 parts 1 and 2, together with the funding of both programmes as detailed in Appendices 10 parts 3 and 4 and the changes described in the tables in paragraph 3.11 and Appendix 9.
- 2.13 Approve the Prudential indicators (para 3.12 and Appendix 12).

3. **Reasons for the Recommendation**

3.1 **Mandatory Obligations**

- 3.1.1 By law, the Council must set a balanced budget before the beginning of the financial year. It must levy a council tax from its local tax payers to meet the gap between expenditure and resources available.

3.1.2 It is prudent to consider the medium term rather than just the next financial year, taking into account the longer term implications of decisions in respect of 2018/19. Hence, Members receive a 5 year Financial Strategy, Capital Programme and Reserves Schedule.

3.1.3 The Local Government Act 2004, Section 3, states that the Council must set an authorised borrowing limit. The CIPFA Code for Capital Finance in Local Authorities states the Council should annually approve Prudential Indicators.

3.1.4 The Chief Financial Officer is required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves. (This statement is made at Appendix 1).

3.2 **2017/18 Revenue Budget**

3.2.1 In November 2017, Members approved the Revised Base Budget with a surplus of £811,500 which was duly allocated as follows:-

•	Service Transformation Reserve	£150,000
•	Capital Investment Reserve	£150,000
•	Investment Volatility Reserve	£100,000
•	Early Retirement Reserve	£50,000
•	Car Park Displacement Reserve	£100,000
•	Contingency Budget 2018/19	£200,000
•	Contingency Budget 2017/18	£61,500

At that point the latest budgets totalled £14,155,300. Since then further work on these budgets has been underway and latest budgets revised to a total of £14,855,500 yielding a further £110,300 surplus. The key drivers of this change are discussed below.

3.2.2 Members will be aware that Interest Rates rose at the end of 2017. Officers have now had an opportunity to update the forecast Investment Interest in light of this and the latest forecast balances available. The latest forecast for the General Fund is £313,800, an increase on the £295,000 reported in November.

3.2.2 The Inflation Provision and Cleaning Contingency have not been utilised and it is unlikely that they will be during 2017/18. This yields a total ongoing saving of £72,300.

3.2.3 Since the Council introduced its charging schedule for the recycling receptacles, the demand for these has decreased. It is now possible to reduce the Revenue Contribution to Capital for these by £45,000. This is expected that this will be recurring, although this is reviewed annually.

3.2.5 Some of the 2017/18 budgets for projects will not now be needed until 2018/19. A schedule is provided for Ear Marked Reserve Requests at Appendix 2 detailing what these are. This totals £292,000 for the General Fund and £10,700 for the HRA.

3.2.6 Taking into account all these changes to the latest budget for the current year, 2017/18 is forecast to produce a further surplus of £110,300. The use of this surplus is considered within Section 3.13.

3.3 2018/19 Revenue Budget

- 3.3.1 In the November 2017 Report, Members approved the General Fund Base Budget for 2018/19 of £16,254,400 then showing a £38,500 surplus. Since then there have been further budget changes. The latest forecast is £18,742,000 after allocation of the £15,200 surplus (para 3.13.3).
- 3.3.2 In January, Members received a report on the new procurement arrangements for 2018/19. The £20,000 net additional cost has been built into budgets.
- 3.3.3 The ICT Serve Re-design recurring saving of £50,000.
- 3.3.4 Business Rates Income and the Volatility Reserve have been updated to bring a £100,000 net additional income to the General Fund in 2018/19. Business Rates is discussed further in Section 3.5.
- 3.3.5 The following substantive posts have been included within the 2018/19 Budget, for which Executive is asked to approve the funding. These posts are subject to the changes to the Establishment being agreed by Employment Committee
- Currently the Sports Programme Manager and Officer for the Leisure Options Project have been recruited on an interim basis. These posts are currently funded until September 2018. However, it is apparent that to deliver this project and then move to Stage 2 Kenilworth these Posts need to be made permanent. The proposed 2018/19 Budget has been increased by £48,900 (6 months), with a full year effect from 2019/20.
 - Due to the extended timeframe for the Office Relocation, the Projects Officer is proposed to be made permanent. £57,300 has been included in the 2018/19 Budget on a recurring basis.
 - A new Strategic Opportunities Project Manager post has been created to assess Commercial and Strategic Opportunities requiring a recurring budget of £45,400. As discussed later in the report, the Council still needs to identify significant ongoing savings or increased income. Part of the post's responsibility will be to identify new opportunities for income generation. Officers are aware that feasibility work is already required around a number of ideas including:
 - § Advertising & Sponsorship
 - § Energy efficiency, renewable energy and storage options
 - § Local Lottery
 - § Enterprise team delivery model

Within the next Fit For the Future update report, further detail will be provided in respect of these and other ideas.

- 3.3.6 The 2018/19 and 2019/20 Pay Offer reflects the impact of the National Living Wage on the lower Pay Scales. This increases pay budgets by £48,000 above the 2% allowed for in the 2018/19 Base Budget. This is discussed further within paragraph 3.9.4.
- 3.3.7 As referred to in section 3.2.2. Investment Interest has been recalculated. Income for 2018/19 is now some £125,000 higher than that reported in November 2017.

3.3.8 The grant for Housing Benefits and Council Tax Support Admin Subsidy has been reduced by £40,000 below what was budgeted. The 2018/19 Budget has been increased accordingly. However with the further delays in the rollout of Universal Credit, it is hoped that there will be a supplementary allocation, details of which will be reported as part of future Budget Review reports.

3.3.9 Some temporary staffing posts are required for 2018/19 only. There is a peak in the licensing of Houses in Multiple Occupation (HMOs) due to changes in legislation. This peak in workload needs to be managed in 2018/19. It is expected that additional fee income will cover these costs in future years. Members will be aware that the audited 2017/18 Accounts have to be published on the Council's website by the 31st July 2018. Previously, the deadline for this was 30th September each year. Piloting the new arrangements during the 2016/17 closedown proved resource intensive. An additional 6 month fixed term post has been created for 2017/18 whilst officers review its existing practices. A total of £137,000 has been built into 2018/19 Budgets to address these issues.

3.3.10 Taking into account the above changes, the Government Grant (Section 3.4), Retained Business Rates (Section 3.5) and Council Tax (Section 3.6), 2018/19 will present a surplus of £15,200, the use of which is discussed in paragraph 3.13.3.

3.4 Government Grant

3.4.1 As part of the 2016/17 Provisional Funding Settlement in December 2015, the Government proposed a four year settlement for the period 2016/17 to 2019/20. The future years' Revenue Support Grant (RSG) figures are shown below, alongside those for recent years:

	£000
2013/14	4,552
2014/15	3,515
2015/16	2,500
2016/17	1,587
2017/18	794
2018/19	307
2019/20	0

3.4.2 As part of the 2016/17 Settlement, the Government proposed that if authorities were to submit an Efficiency Statement and so accept the proposed figures, it would agree not to subsequently alter these figures except in certain extreme circumstances. In common with the vast majority of local authorities, the Council submitted its efficiency statement which was subsequently accepted by the Government.

3.4.3 As anticipated, the RSG within the 2018/19 provisional settlement is unchanged. The figure of £307k had already been incorporated within the Council's Medium Term Financial strategy (MTFS).

3.4.4 In presenting the RSG figures, the Government makes the following assumptions which all serve to mitigate the overall reduction in Core Spending Power.

- The Government projections assume local authorities will increase council tax by the referendum limit (£5 for Warwick District Council). This continues to be a major departure from pre 2015 Government policy whereby local authorities were under pressure to freeze the council tax.
- Assumptions of growth in the council tax base to continue at current levels
- The Government makes assumptions of future New Homes Bonus (NHB) payments to local authorities. Members will be aware that, given the uncertainty over New Homes Bonus, the Council's policy has been to exclude this from core funding and this continues to be reflected in the projections within the Council's MTFS where future NHB payments are excluded.

3.4.5 For 2019/20, the Council will not be in receipt of any RSG, as allowed for within previous financial projections.

3.4.6 The provisional Settlement figures for 2019/20 continue to include "Tariff Adjustments" which would reduce the Council's element of retained Business Rates. These adjustments are widely seen as being "Negative RSG". For Warwick DC the adjustment amounts to a further reduction in funding on 2019/20 of £237k. Nationally the Tariff Adjustments come to £153m. The Government is planning a consultation in Spring 2018 over how the Tariff Adjustments will be accommodated in future year's Finance Settlements. To date, the Tariff Adjustment has not been included within the Council's MTFS. However, it is believed to be prudent to allow for this adjustment which has now been factored into the MTFS as a recurring cost as discussed in Section 3.9.

3.4.7 The final Grant Settlement is expected in early February. Updated figures, if changed, will be provided to Members when available. Any change in the 2018/19 Revenue Support Grant (which is believed to be very unlikely) is proposed to be compensated by changing the General Fund Balance.

3.4.8 A summary of the 2017/18 and 2018/19 is shown at Appendix 3.

3.5 **Business Rates**

3.5.1 Projecting the Council's element of Business Rate Retention continues to present difficulties. The problems involved in forecasting this are detailed below.

3.5.2 Appeals – There are still many appeals awaiting determination by the Valuation Office. An assessment of the success of these needs to be made and suitable provision has been allowed for within the estimated figures. Whilst it is hoped that this figure is suitably prudent, given the size and nature of some of the appeals, there remains a risk. April 2017 saw the introduction of the new "Check, Challenge, Appeal" regime seeking to expedite appeals and deter speculative appeals. Following previous revaluations, backdated appeals continued to be lodged for several years. Accordingly, whilst the number of new appeals coming forward since April 2017 is minimal, it is still expected that a significant number of appeals will come forward in subsequent years that will be backdated to 2017. It is necessary for an estimate of these future appeals to be allowed for in the 2017/18 and 2018/19 Estimates.

3.5.3 Tariff/Top-Up Adjustments. These exist in the system so as to redistribute business rates income between local authorities. With the 2017 Revaluation, it

is necessary for each local authority's tariff or top-up to be re-based. The re-basing is intended to protect any growth that had accrued in the local business rates bases since the commencement of business rates retention in April 2013. The Government has made an assessment of the adjustments necessary for the 2017/18 and 2018/19 figures. However this will be reviewed following the closure of the 2017/18 accounts, meaning that further adjustments (positive or negative) are likely to the 2018/19 figures and beyond.

- 3.5.5 100% Business Rates Retention – This was originally expected to come in from 2019/20. Due to limited Government time to consider this matter, it is now proposed that a scheme based around 75% retention will be brought in in 2020/21, using existing Regulations, without the need to introduce new legislation.
- 3.5.6 Also from 2020/21, the existing Baselines within the Business Rate Retention will be re-set. This will reflect the spending needs of individual local authorities (as to be determined by the Fair Funding Review currently on-going, for which consultation responses are sought by March 2018). The review will also reflect the updated business rate bases of local authorities. It remains to be seen what growth in the local business rate base since 2013/14 will be allowed to be retained by local authorities.
- 3.5.6 As with all local authorities, 2020/21 represents a significant risk to the Council's finances with the intended changes to Business Rate Retention. If the Council's share of Business Rates returns to the Baseline, this would represent a potential reduction of over £1m in funding. The MTFS does allow for a reduction in funding back to the Baseline. However, this is being mitigated by the use of approximately £600k from the Business Rate Retention Volatility Reserve from 2020/21; the use of the reserve at this level would only be sustainable for another 2 or 3 years based on current assumptions.
- 3.5.7 Whilst the estimates from 2020/21 are very uncertain, many local authorities will be severely impacted, potentially many far greater than Warwick due to the significant growth in their Business Rates base since 2013/14. With potentially substantial swings in local government funding, it is likely that some sort of safety net will need to be allowed for so as to give authorities time to manage large swings in their funding. The future information and figures from the Government will continue to be monitored, with the impact included in the Council's MTFS.
- 3.5.8 Volatility. Largely due to the regulations governing the accounting arrangements for business rates retention, there can be substantial volatility between years in the amount of retained business rates credited to the General Fund. Consequently it is necessary to maintain a Volatility Reserve to "smooth" the year on year sums received.
- 3.5.9 Business Rates Estimates. For 2018/19, the net Business Rates Retention to the General Fund (The Council's share of Business Rates, +/- contribution from/to the Business rates Retention Volatility Reserve), has been increased by £100k to £3.9m. This is believed to still be a prudent estimate. The NNDR1 form which estimates the business rates for 2018/19 is still being finalised as this report is being written ahead of its deadline of 31 January 2018. This will produce some of the final figures that feed into the Business Rates Retention income for the Council for the year. It is not expected that there will be any great variation in the NNDR1 and what has been allowed in the proposed Budget. However,

should there be any variation; this will be accommodated within the Business Rate Volatility Reserve.

3.5.10 Executive agreed on 1 November that the Council applies to be part of the proposed Warwickshire 100% Business Rates Retention Pooling Pilot for 2018/19. It is understood that there were many applications to be Pilot Pools, of which 10 were accepted. The Warwickshire application was not successful. Therefore the Council should continue to be a member of the Coventry and Warwickshire Pool for 2018/19 under the current 50% Business Rate Retention scheme.

3.5.11 MTFS – the Business Rates retention within the MTFS are believed to be reasonably prudent taking into account all the above factors. These figures will continue to be reviewed and members will be informed of changes as the MTFS is presented in future reports.

3.6 Council Tax

3.6.1 As announced within the Provisional Local Government Finance Settlement, District Councils may increase their share of the Council Tax by the greater of up to 3% and £5 without triggering a referendum. The increase to 3% from 2% will benefit many district councils, but for 88 districts, including Warwick District Council, it has no impact as £5 exceeds 3%.

3.6.2 The national average council tax for district councils is £179.25, and £218.41 including parish/town council precepts. This Council's council Tax charge for 2017/18 is £156.86 (excluding parish and town council precepts). This Council's charge is in the 2nd lowest quartile and when Town and Parish Precepts are included it falls within the lowest quartile.

3.6.3 The Council Tax Base was calculated in November of last year, with the Council's preceptors being notified accordingly. The Tax Base for 2018/19 is 53,388.87 Band D Equivalents. Whilst this is an increase of some 679.19 on 2017/18, it falls short of that previously assumed in the Financial Strategy when last year's Tax Base was calculated (53,800). The reduced forecast growth in the tax base has been factored into the MTFS. This clearly impacts upon the Council's estimated council tax income, resulting in additional savings required in future years and is discussed further in Section 3.9 below.

3.6.6 The Council's element of the Council Tax is calculated by taking its total budget requirement, subtracting the total funding from Central Government in respect of Revenue Support Grant (RSG) and Retained Business Rates (Section 3.4 and 3.5 above). This figure is divided by the 2018/19 tax base to derive the District Council Band D Council Tax Charge.

3.6.7 The recommendations within this report produce a Band D Council Tax for Warwick District (excluding parish/town council precepts) for 2018/19 of £161.86, this being a £5 increase on that of 2018/19. Based on this increase the District's element of the Council Tax for each of the respective bands will be:

	£
Band A	107.91
Band B	125.89
Band C	143.88

Band D	161.86
Band E	197.83
Band F	233.8
Band G	269.77
Band H	323.72

3.6.8 Parish and town councils throughout the district were asked to submit their precepts for 2018/19 when informed of their Tax Bases. At the time of writing this report, not all precepts have been confirmed. It is estimated that the precepts will total just over £1,400,000 based on prior years. This figure does not take into account the grants that this Council will continue to award in respect of the Council Tax Support adjustments to the Tax Base, Members have previously agreed that this will cease after 2018/19. In the Provisional Finance Settlement, the government has announced it will defer the setting of referendum principles for town and parish councils for three years. However, this is conditional upon the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for "invest to save" projects which will lower ongoing costs; and the government seeing clear evidence of restraint in the increases set by the sector as a whole.

3.6.9 The Council Tax is set by aggregating the council tax levels calculated by the major precepting authorities (the County Council and the Police and Crime Commissioner) and the parish/town councils for their purposes with those for this Council. The report to the Council Meeting on the 21st February, 2018 will provide all the required details. This will be e-mailed to all Members as soon as possible following the Police and Crime Commissioner and Warwickshire County Council meetings, which are both on the 6th February. At the time of writing this report, it is assumed that all the Town/Parish Precepts will have been returned. The Council will then be in a position to:-

- (a) consider the recommendations from the Executive as to the Council Tax for district purposes; and
- (b) formally to set the amount of the council tax for each Parish/Town, and within those areas for each tax band, under Section 30 of the 1992 Local Government Finance Act.

3.6.10 Members must bear in mind their fiduciary duty to the Council Taxpayers of Warwick District Council. Members have a duty to seek to ensure that the Council acts lawfully. They are under an obligation to produce a balanced budget and must not knowingly budget for a deficit. Members must not come to a decision that no reasonable authority could come to, balancing the nature, quality and level of services that they consider should be provided, against the costs of providing such services.

3.6.11 Should Members wish to propose additions or reductions to the budget, on which no information is given in this report, they must present sufficient information on the justification for and consequences of their proposals to enable the Executive (or the Council) to arrive at a reasonable decision. This report sets out relevant considerations for Members to consider during their deliberations, including the statement at Appendix 1 from the Chief Financial Officer

3.6.12 Section 106 of the Local Government Finance Act 1992, states that any member who has not paid their Council Tax or any instalment for at least two months after it becomes due and which remains unpaid at the time of the meeting, must declare that at the meeting and not vote on any matter relating to setting the budget or making of the Council Tax and related calculations.

3.7 **New Homes Bonus**

3.7.1 This Council's New Homes Bonus (NHB) for 2018/19 is £2,482k. This is an increase from the £1,938k awarded for 2017/18.

3.7.2 Following the announcements of 12 months ago, the following changes continue to be factored in to the NHB calculations:-

- Funding has been reduced from the previous 6 year's retrospective years to 5 years for 2017/18, to 4 years for 2018/19 and beyond. Had the 6 years been maintained, this would have presented the Council with an additional £400,000 New Homes Bonus in 2018/19.
- The baseline of 0.4% has continued for 2018/19. New Homes Bonus is only awarded on growth above this level. There was the possibility that the baseline was to be increased, this remains a risk for the future. For Warwick District Council, for 2018/19 the 0.4% baseline represents 249 dwellings. With the total growth of 925 Band D properties, the 2018/19 allocation is based on 676 properties. The baseline is reducing the New Homes Bonus 2018/19 allocation by £300,000 and a similar amount for 2017/18 compared to the previous regime.
- The proposals to withhold payments for areas without a local plan, or for homes allowed on appeal, are not being implemented at this stage.

3.7.3 To date this Council has used the money to fund various schemes and initiatives and replenish some of its Reserves, and unlike many local authorities, has not used NHB to support core services. It continues to be the Council's policy to exclude new Homes Bonus in projecting future funding.

3.7.3 As in previous years, Waterloo Housing will receive part of this allocation from their agreement with the Council to deliver affordable Housing in the District. £170,287 is due to be paid to Waterloo in 2018/19. Section 3.13 details how it is proposed to allocate the Residual Balance for 2018/19.

3.8 **Other Budget Matters**

3.8.1 Planning Fees

3.8.1.1 The Government has previously announced that local authorities may increase planning fees by 20% provided that it is ring-fenced to support the planning service. This Council has responded to the Government to state its intention to increase its planning charges. The 20% increase came in from 17 January 2018.

3.8.1.2 The extra 20% will generate approximately £250,000 per annum based on current estimates. The current baseline and income assumptions should be retained, with the extra income used make improvements to support the planning function. It is proposed that the additional income is initially allocated to a new Planning Investment Reserve. The expenditure to be funded from the

reserve will need to be specifically identified. In June 2017, within the Fit For the Future Executive report, it was agreed, that consequent budget apportionments of the additional income are determined by the S151 Officer in consultation with the Council's Senior Management Team.

3.8.1.3 To date, a new Green Space Officer has been agreed by the Employment Committee, funded by the 20% uplift, to support the increased work on Neighbourhood Services relating to the Local Plan. Further staffing investments are planned by Development Services and Health and Community Protection to be similarly funded. These will be subject to future reports to Employment Committee.

3.8.1.4 The funding of these posts from the 20% uplift will be funded from the apportionment of the income as determined by the Head of Finance.

3.8.1.5 The additional income will be monitored on an on-going basis so as to ensure the income is not over committed and can fund any agreed commitments. A prudent stance will be taken in projecting the funding and how it is utilised.

3.8.2 National Living Wage

3.8.2.1 The Council currently pays the National Living Wage as set by the Living Wage Foundation, with this due to be reviewed annually as part of the Budget Setting process. In view of the increases to the Government National Living Wage, and the impact this will have on future grade differentials, it was agreed by the Employment Committee in September 2017, and subsequently by Council, that the Council freezes the current Living Wage Foundation rate of pay at the current level (£8.45 per hour or £16,300 pa), but that the frozen rate is increased in line with a 1% pay award on 1st April each year, subject to consideration as part of the overall budget setting process, until it is exceeded by National Living Wage, or the evaluated pay rate.

3.8.2.2 When this issue was considered by Employment Committee, it was anticipated that the national pay award for 2018/19 would be 1%. The current pay offer for 2018/19 (for which acceptance is still awaited) is based on a 2% increase. Consequently, subject to the acceptance of the pay offer, it is proposed to increase the current Living Wage hourly rate of £8.45 by 2%. As the numbers in receipt of the NLW are very low, this extra 1% will be able to be accommodated within existing Budgets.

3.8.3 Service Transformation Reserve funding requests

3.8.3.1 The national planning fee increase (as discussed within paragraph 3.8.1 has allowed the Council to review the method by which the planning regime is delivered, using additional funds received via the increase to improve the service delivery. As a result of this review, a temporary Senior Environmental Health Officer post, for 2 years has been identified as required in Health and Community Protection. It is proposed that 0.6FTE of the post is funded through the planning fee increase and the remaining 0.4 FTE is funded from the Service Transformation Reserve. This additional 0.4FTE would accommodate further increases in planning applications through the 2 year period including HS2 related work. It is important to note that any HS2 related time can be recovered from HS2 rather than funded through the Service Transformation Reserve therefore the total of £36,000 over the two years, grade to be

determined by Hay, would be the maximum required from the Service Transformation Budget.

3.8.4 Electric Cars

- 3.8.4.1 The Council currently operates a number of electric cars as a pilot scheme. The scheme pilot is due to conclude in June 2018 and therefore is in the process of being evaluated to determine if the pilot has been successful and if the council wishes to continue the scheme in its current form, with alteration or not. The review is not due to conclude until end of February 2018 and therefore a figure for the scheme is unable to be calculated at this time. Upon conclusion of the review a further report will be brought to detail any financial implications.

3.9 Medium Term Financial Strategy (MTFS)

- 3.9.1 On the 21st February 2017, the Council approved the 2017/18 Budgets and Council Tax. This report updated Members on the 5 Year MTFS. At that point, it was forecast that a further £830,000 of savings were required to be found and achieved to enable the Council to maintain a Balanced Budget.

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Deficit-Savings Required(+)/Surplus(-) future years		412	201	-202	830
Change on previous year		412	-211	-403	1,032

- 3.9.2 Members have been updated on the latest forecasts in June 2017 (Fit for the Future Report), August (Budget Review Quarter 1) and November (General Fund Base Budgets).
- 3.9.3 Since February 2017 the Strategy has been rolled forward another year to maintain a five year projection. This means that whilst the Council benefits from an increase in Council Tax (increasing by £5 and additional growth), it also incurs inflation on its service expenditure (assumed 2%). The net effect of this is a £60,000 reduction in the savings requirement.
- 3.9.4 There have been several changes to staffing budgets, including the new posts proposed in this report (paragraph 3.3.5) and a £150,000 ongoing Budget for an Apprenticeship Scheme approved within the November 2017 Budget Report. Within the 2018/19 and 2019/20 2 year Pay Offer, the National Living Wage has lead the Local Government Employers to look at how this has impacted on lower pay scales. Increases above 2% are proposed to be awarded to all spinal column points below 19. For 2019/20 there will be a complete revision to these Scales to match the proposed new Spinal Column Points. Early Indications such there will be additional costs of some £48,000 in 2018/19 and a further £150,000 in 2019/20. The total on-going costs of all of these amounting to circa £350,000
- 3.9.5 The Council will be renewing many of its contracts in 2021/22. When the Budget was set in February 2017, it was assumed that the cost of this could amount to £1,182,000. However, latest intelligence suggests that the increases to the National Living Wage and a drop in recycling prices could mean the costs

of renewal will be considerably more. Alongside this, some current contracts are inflated annually based upon RPI (at August the prior year) minus 0.5%. The latest forecast cost has increased to £1,700,000, an increase of £518,000.

- 3.9.6 There have been various other changes related to contract expenditure over the years. These include the transfer of the £83,000 costs for the Grounds Maintenance carried out on HRA land, and the impact of the new property development, which will generate additional recycling credit income but incur additional costs in servicing these properties of £288,000.
- 3.9.7 As outlined in 3.6.3 above, the original assumption for the Council Tax Base for 2018/19 has proven to be overly optimistic. Each year, when the Tax Base is set further increases are factored into future years. This base has now reduced and lowers future years as well, 2022/23 being £72,000 lower in Council Tax income than previously forecast.
- 3.9.8 Planning Fee income in 2017/18 has increased with a further £300,000 being factored into the 2017/18 Budget. With the Local Plan being adopted in November 2017, applications will increase further. It has been possible to factor recurrent additional income amounting to just over £0.5 million per annum into future years plus a further £50,000 when adding annual inflation uplifts. These figures exclude the 20% uplift discussed in paragraph 3.8.1 which is separately ring-fenced.
- 3.9.9 Investment Interest has been revised to reflect the latest investment rate forecasts provided by Asset Link Services, the Council's Treasury Management Advisors, and also the Council's projected balances invested. The Council's investment income has increased by £150,000 per annum above that previously forecast.
- 3.9.10 When the Budget was presented to Members in February 2017, the Leisure Options Contract had not been finalised. At that time the Strategy assumed £612,000 in the concession fee. The agreement was evaluated on the basis of the overall benefit to the Council over the 10 year contract period. The concession is £610,000 for 2109/20, increasing annually to £1.389m in 2025/26. This has previously been reported to members. In 2022/23 (the final year of the MTFS produced here), the Concession Fee will be £1,230,000, an increase of £618,000 above that previously forecast.
- 3.9.11 As discussed in paragraph 3.4.6 above, the provisional settlement still indicates a tariff adjustment of £237,000 in 2019/20. This has been incorporated into the Strategy from 2019/20.
- 3.9.12 There have been many more changes to the 5 year forecast which have a lower impact. The table below summarises those discussed above plus others.

Savings Required by 31/3/2021 (as at February 2017)	£'000's
Roll Forward to 2022/23	830
Staffing - net	-60
Leisure Options	350
Contracts	-618
	518

HRA Grounds Maintenance	-83
Expenditure related to property growth	288
Reduced Council Tax Base growth	72
Planning Fee Income	-550
Investment Interest	-150
Tariff Adjustment	237
Reduced Contributions to Bins & receptacles	-45
Net-various other changes	-90
Savings Required by 31/3/2022 (as at February 2018)	699

3.9.12 The Council will now face a £699k deficit by 2022/23 unless further savings to the same magnitude can be identified and delivered. The profile of these savings is shown in the table below:-

	2017/18 £'000	2017/18 Latest £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Deficit-Savings Required(+)/Surplus(-) future years	0	0	0	607	81	929	699
Change on previous year	0	0	0	607	-526	848	-230

3.9.13 This forecast assumes that future Fit for the Future Savings will be delivered. These Include:-

- Office Relocation £300,000 2021/22
- Alternative use of the Town Hall £85,000 2021/22
- Senior Management review £200,000 2022/23

Some of these savings may occur at an earlier date.

3.9.14 Officers will continue to look for other Fit for the Future Projects which will yield more savings, with a Fit for the Future Report being presented to Members in June of this year.

3.6.15 The Latest Financial Strategy is shown at Appendix 4.

3.10 Reserves and Balances

3.10.1 Members agreed that £1.5m should be the minimum level for the core General Fund Balance. This balance supports the Council for future unforeseen demands upon its resources. In order to consider a reasonable level of general reserves, a risk assessment has been done and is contained at Appendix 5. This shows the requirement for the General Fund balance of over £1.5 million against the risks identified above.

3.10.2 The General Fund has many specific Earmarked Reserves. These are attached at Appendix 6 showing the actual and projected balances from April 2017, along with the purposes for which each reserve is held. Finance and Audit Scrutiny Committee is especially asked to scrutinise this element and pass comment to Executive.

3.10.3 Those reserves which show a significant change in the overall balance in the period 1st April 2017 to 31st March 2022 are detailed below and also shown in Appendix 6:-

- i. Capital Investment Reserve – The funding of the recommendations within the reports on the Playbox Theatre and the Newbold Comyn Arms on this agenda will reduce the uncommitted balance on this reserve is £1.337k. The Council's policy is to maintain the value on this reserve to a minimum of one million pounds.
- ii. ICT Replacement Reserve - The schedule has been updated to reflect the latest projected expenditure on the renewing the Council's Technology, and is shown at Appendix 7.
 - The £233,500 on the Schedule for the Network Systems in 2022/23 should not be needed until 5 years after the Council relocates, as the system would be upgraded at the time of the office move as part of the overall office relocation budget.
 - The datacentre renewal is currently scheduled for 2021/22, which would tie in with the office re-location.
 - The ICT Manager has delegated authority to spend from the reserve after consultation with the Head of Finance and the relevant portfolio holders. However, the Microsoft licences are subscription based and if they were not purchased the Council would need to stop using all Microsoft products. This would not be just Office and Email, but the databases that support the business applications.

The updated ICT Replacement Reserve Schedule is attached at Appendix 7 for Members Approval.

- iii. Equipment Renewal Reserve - The Schedule is presented at Appendix 8 for Members Approval. Members are asked to note the significant potential demands on this Reserve in 2018/19, if all of these items are drawn down to this value, the Reserve will be exhausted during 2019/20 despite £100,000 being transferred to this Reserve each year.
- iv. Planning Investment Reserve – As discussed in Paragraph 3.8.1.2, it is proposed to create this new reserve into which the 20% uplift in planning fees will be allocated before being apportioned by the Head of Finance.
- v. Harbury Lane Reserve - Monies have been carried forward for several years towards this project by way of Earmarked Reserves. There is £84,000 unspent in the 2017/18 Budget. It is proposed to transfer this money into the newly proposed Harbury Lane Reserve towards funding the project in future years. The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.
- vi. Homelessness Prevention Reserve - In March 2017, the Government announced that this Council would receive Flexible Homelessness Support Grant £275,000 in 2017/18 and £340,500 in 2018/19 towards Homelessness Prevention. This money is ring-fenced to prevent or deal with homelessness. It is therefore

recommended that a new "Homelessness Prevention Reserve" be created, with the funding being allocated there until it is the Council has determined how this money will be spent. A report in January 2018 detailed how some of this funding would be used. It also recommended that the Head of Housing Services has delegated authority to draw down from the Reserve in conjunction with the Service Portfolio Holder, Head of Finance and Finance Portfolio Holder.

- vii. Car Park Displacement Reserve - Members agree to set up the Reserve and allocate £100,000 as part of the Base Budget Report in November 2017. The use of this reserve will be agreed by Executive. An allocation of £800,000 from New Homes Bonus is recommended in Section 3.13. The use of some of this reserve for capital purposes is reflected within paragraph 3.11.3. The separate report on Leamington Spa Car Park Displacement considers the use of this reserve further.
- viii. Investment Volatility Reserve - This reserve was created following the allocation of £100,000 agreed by Executive in November 2017. The use of this reserve is intended to smooth future fluctuations in investment returns. The use of this reserve will be included within future Budget reports to be agreed by the Executive.
- ix. Commonwealth Games - As discussed in Section 3.13.1, there will be a full report on the Games to the Executive in March. This will include proposals for the future use of this Reserve. An allocation of £100,000 from New Homes Bonus is recommended in Section 3.13.
- x. Corporate Asset Reserve - Projections have shown that this reserve should have sufficient funding for the next 4 years. However further sources of funding need to be sought if the Council is to continue to properly maintain its assets into the future. The use of this reserve will be subject to the March Executive report on the Planned Maintenance Programme.
- xi. Community Projects Reserve - This reserve was created using £867,300 of 2017/18 New Homes Bonus. It is proposed that £1,350k is allocated to the reserve from NHB for 2018/19, in addition to £350,000 in respect of Whithnash Hub, as previously agreed by members. The use of the £1.35m plus the unallocated balance of £46k will be subject to future agreement by members.
- xii. Public Amenity Reserve – Schemes are planned which will utilise all the funding within this reserve within the next two years. To fund the next green spaces and play areas projects identified from the parks and play area audits in line with Green Space Strategy, further significant funding will be required.
- xiii. Service Transformation Reserve – this reserve was created to enable services to continue to be provided pending delivery of required savings and to finance "Fit for the Future". As in paragraph 3.8.3 £36,000 is proposed to be allocated from this reserve to part fund a temporary Senior Environmental Health Officer.

3.11 General Fund and Housing Capital Programmes

- 3.11.1 In accordance with the Council's Code of Financial Practice, all new and future capital schemes, must be in line with the Council's corporate priorities and a full business cases will be required as part of reports to the Executive for approval. This case will identify the means of funding and, where appropriate, an options appraisal exercise will be carried out. Should there be any additional revenue

costs arising from the project, the proposed means of financing such must also be included in the Report and Business Plan.

3.11.2 The Capital Programme has been updated throughout the year as new and changes to projects have been approved. In addition to the changes throughout the year, it is proposed to add several new schemes to the Capital Programme as detailed in Appendix 9. The most notable of these are detailed below:-

Scheme	Year	Amount	Financed From
Desktop Infrastructure, Storage Area Network (SAN), Network Devices LAN & WAN, Infrastructure General, Physical Server Replacement, UPS.	2018/19 to 2021/22	£343,500	ICT Replacement Reserve
Rural & Urban Initiatives Grants – extension of current programme	2021/22	£150,000	Capital Investment Reserve
Recycling & Refuse Containers – extension of current programme	2021/22	£80,000	Capital Investment Reserve

3.11.3 Other reports on this Executive agenda consider several schemes which impact on the Capital Programme. These have been incorporated in the Capital Programme as follows:-

Scheme	Year	Amount	Financed From
Acquisition of Stoneleigh Arms	2018/19	£710,000	RTB Receipts
Playbox Theatre loan	2018/19	£150,000	Capital Investment Reserve
Newbold Comyn Arms loan	2017/18 and 2018/19	£350,000	Capital Investment Reserve
Car Parking Displacement – capital costs	2018/19	£220,000	Parking Displacement Reserve

3.11.4 In addition to the new projects incorporated in 3.11.2 above the following capital projects are expected to come forward over the next year:-

- Investment in replacement multi storey car parks
- Office relocation
- Europa Way

3.11.5 Slippage to 2018/19 in the General Fund Programme has been incorporated as reported during the year.

3.11.6 In addition the following table shows the main changes to current schemes that are required to be reported to Members. The full details are within Appendix 9:-

Scheme	Year	Amount	Comments
Desktop Infrastructure	2017/18	-£10,000	Saving
Voice over IP telephone system	2017/18	-£-31,700	Saving
Leisure Options	2017/18 to 2018/19	-£919,200	Slippage
Whitnash Hub	2017/18	£89,900	Increase budget for element funded from S106 payments.
St John's Flood Alleviation	2017/18 to 2018/19	-£100,000	Slippage
Pump Room Garden Restoration	2017/18 to 2018/19	-£1,000,000	Slippage
Leisure Centre Benches, Cycle racks etc	2017/18	£16,833	Funded from sale of gym equipment.
Recycling and Refuse Containers	2017/18 to 2020/21	Annual Budget reduced to £80,000	Reduced annual budget

3.11.7 Appendix 10 Part 5 shows the General Fund unallocated capital resources. These total £2.687m. The Capital Investment Reserve represents the largest share of this at £1.45m, for which the Council has agreed the minimum balance should be £1m. Whilst the Council does hold other reserves to fund capital projects, it will be noted that these are limited and have been reserved for specific purposes. In addition to the resources shown here, within the Housing Investment Resources, the Right to Buy "Any Purposes Capital Receipts" projected at £9.3m (Appendix 10, part 4) are available to fund non Housing schemes.

3.11.78 The latest Housing Investment Programme (HIP) is shown at Appendix 10 part 2.

3.11.9 Appendix 9 details variations to the HIP from that previously reported in February 2017. This includes changes to current schemes, and slippage from 2016/17.

3.11.10 Appendix 10 part 4 shows the funding of the HIP and the forecast balances at year end until 31st March 2022 after the HIP has been financed.

The Capital receipts primarily relate to Right to Buy (RTB) sales. The council has freedom on how the any purpose receipts are utilised, being able to fund General Fund and Housing Capital schemes.

1-4-1 RTB receipts have to be utilised in replacing housing stock that has been purchased from the council by existing tenants through the RTB scheme. This can be through new build properties (such as Sayer Court), the purchase of existing properties (such as Cloister Way) or buy back of existing council properties previously sold through RTB. However they can only be used to fund up to 30% of the replacement cost as per RTB regulations. If the funding is not used within a three year period from the date of receipt, the funding will be repayable to the Government, along with interest.

The dates by which the unallocated 1-4-1 RTB balances need to be used by are as follows:

31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024
£1,109,900	£1,800,000	£1,800,000	£1,800,000	£1,864,800

3.11.11 HRA Capital Investment Reserve. This reserve is funded by the surpluses generated on the Housing Revenue Account. The HRA Business Plan assumes that this funding will be used for the provision of new HRA stock, and to allow debt repayments on the £136.2m loan taken out to purchase the HRA housing stock to commence from 2052/53.

3.11.12 The Major Repairs Reserve is used to fund capital repairs of the HRA stock. The contributions to this reserve are based on depreciation calculations. It is noted that approval was given by Executive in July 2017 to additional expenditure for fire safety works following a review of high-rise housing stock. Further provision will be sought from Executive if required, for which it will be noted there is over £4.5m projected funding within the Major Repairs Reserve.

3.11.13 Section 106 are payments received from developers in lieu of them providing new on site affordable homes, enabling the Council to increase the HRA stock or assisting housing associations to provide new dwellings. These S106 payments usually have a time limit attached to them by which time they need to be utilised or they may need to be repaid to the developers.

3.11.14 The Right to Buy Capital Receipts are shown within the sources of Housing Investment Programme funding. As considered previously by members, these capital receipts are not ring-fenced and can be used for any capital projects. Consequently, as detailed in a separate report to this agenda, it is proposed to use these receipts to fund the acquisition of the Stoneleigh Arms.

3.12 Prudential Indicators

3.12.1 The Council is required to determine an authorised borrowing limit in accordance with The Local Government Act 2004, Section 3, and to agree prudential indicators in accordance with the CIPFA Code for Capital Finance in Local Authorities.

3.12.2 The Indicators are shown at Appendix 12. Further indicators are included within the Treasury Management Strategy Report.

3.13 Appropriation of funding and balances

3.13.1 New Homes Bonus

As referred to in Section 3.7.3 above, the New Homes Bonus allocation for £2.482m. This is proposed to be allocated as follows:-

- Waterloo Homes are due to receive £170,287 of this under the Joint Venture with the Council.
- The Council has previously agreed to contribute £500,000 to the planned Whitnash Hub. £150,000 was awarded in 2017/18. It is proposed that the balance of £350,000 is from the 2018/19 NHB allocation. For accounting purposes this allocation will flow through the Community Projects Reserve.

- For 2014, the Council set aside some monies to commemorate start of World War One in 1914. It would be appropriate to do likewise to celebrate the centenary of the end of this war. A similar sum £10,500 is recommended from New Homes Bonus. This is again proposed to be distributed by the Community Forums.
- In December 2017, it officially announced that Birmingham would host the 2022 Commonwealth Games. The Council's hosting of the Bowls as part of this was previously reported to Executive in November 2017. Officers have already set up a project group as such a prestigious event will need planning so that all facilities need to be brought up to the highest standards as well as using this opportunity to promote the District and this Council to the World. Clearly, there will be costs involved both before and during the event. Officers have yet to work up detailed plans and budgets. It is therefore proposed that a new Commonwealth Games Reserve be created to fund this expenditure and £100,000 be set aside. Members will receive a report on the Games in March of this year which will provide more details on these and the utilisation of the Reserve. Future use of this reserve will be agreed by the Executive.
- In November 2017, the Executive allocated £100,000 to a new Car Park Displacement Plan. For the proposed displacement from Covent Garden Car Park, £423,000 was set aside within the Covent Garden Car Park Reserve in April 2016 within the HQ Replacement Report, alongside £477,000 towards the initial borrowing costs for a new multi-story car park. The likely net costs of displacement in Leamington are being re-assessed (as reported elsewhere on this Agenda). The likely net costs, including costs of works, running costs and changes in income, are likely to exceed the original estimates. In addition, proposals are due to come forward for works on car parks in Warwick, which are likely to be significant. Consequently, it is proposed to allocate £800,000 to the Car Park Displacement Reserve.
- The Community Projects Reserve currently has a balance of £46,000 out of the original allocation of £868,000 from the 2017/18 New Homes Bonus. It is proposed that the balance of the New Homes Bonus for 2018/19 of £1,051,324 is allocated to the Community Projects Reserve. Demands from this reserve will be subject to future reports to the Executive to agree.

3.13.2 2017/18 Surplus

As referred to in Section 3.2, 2017/18 is currently forecast to produce a surplus of £110,300. It is proposed that this balance is added to the Contingency Budget, with any unallocated balance carried forward to add to the 2018/19 £200,000 contingency.

3.13.3 2018/19 Surplus

As referred to in Section 3.3, 2017/18 is currently forecast to produce a surplus of £110,300. It is proposed that this balance is added to the 2018/19 £200,000 contingency.

4. **Policy Framework**

4.1 Fit for the Future (FFF)

These are the words to use:

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report seeks to continue to ensure that the Council has adequate financial resources to support its various strategies and the provision of services.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
The recommendations within the report seek to help provide future funding for the above outcomes.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The recommendations within this report seek to ensure the Council has adequate funding to enable it to support staff in the provision of	The recommendations within the report seek to help provide future funding so as to enable the Council to maintain and improve service	The recommendations within this report seek to ensure the best use of made of the Council's financial resources whilst ensuring the Council's

services.	provision.	financial position is sound going into the future.
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4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here. The Council has a Financial Strategy, as updated within Appendix 11. This Strategy sets out details of the Council's overall financial position, and some of the key policies for the use of the Council's resources and how these are managed. Members are recommended to approve the updated Financial Strategy.

4.3 Changes to Existing Policies

This report does not propose any recommendations to any of the Council's existing policies.

4.3 Impact Assessments – Not Applicable

5. Budgetary Framework

- 5.1 The Council's budget and Council tax setting is a major component in reflecting and expressing the Council's priorities and policies. The budgets proposed for both capital and revenue are in accordance with Fit for the Future. The financial strategy and capital strategy are revised in the light of the proposed revenue and capital budgets, and the issues that these budgets address.
- 5.2 Officers monitor the current year's budgets by way of the monthly Budget Review process which is duly reported to the Council's Senior Management Team. The same process is applied when reporting quarterly to Members. Members are also kept informed on progress with Earmarked Reserves and the Contingency Budget, alongside the latest predictions in the MTFS.
- 5.3 Despite facing substantial reductions in funding in recent years, the Council has managed to maintain and improve main services. Alongside this, the Council has a level of reserves well in excess of most local authorities. Whilst the Council may on the face of it be currently in a strong financial position, there is no scope for complacency. Members will be aware of the substantial sums needed to be spent on the Council's municipal assets in future years, multi storey car park being of specific note. In addition, moving forward, there remains uncertainty as to the Council's future funding levels. This is notably with regard to Business Rates (as discussed in paragraph 3.5) and New Homes Bonus (para 3.7). Consequently, the additional funds required by the Council in forthcoming years are likely to be in excess of the shortfall forecast in the MTFS (section 3.9).

6. Risks

6.1 Business Rates Retention

As detailed in section 3.5, there are still substantial risks around Business Rates Retention. Also, as detailed in paragraph 3.4.6, the potential "Tariff Adjustment" of £237k from 2019/20 has been prudently factored into the Council's projections. It is uncertain whether this will be funded by the

Government. The Government is planning a consultation on how this will be treated for 2019/20.

- 6.2 The Strategy now assumes that £5 increases in Council Tax in 2020/21 and 2021/22 will not be subject to a referendum. This is beyond the term of the current Provisional Finance Settlement. There is therefore a degree of risk as to whether this level of Council Tax increase will be able to be continued.
- 6.3 Many of the Risks in the Significant Business Risk Register are Finance related and the Finance Service Area has its own Risk Register. Both are reviewed regularly.
- 6.4 Whilst the country is now seeing an upturn in the economy with interest rates expected to increase, it is still susceptible to changes in the world economic and political environment which could reverse the trend. A return to recession would see the projected rise in interest rates delay further and increased unemployment would in turn impact on the Council's finances by increasing the level of Council Tax Reduction claimants and reduce customers' discretionary spending in the Council's income generating areas, to give but one example. Inflation rates are influenced by the economy. High inflation rates restrict the Council's own purchasing powers and also impact on its contractors whose annual contract uplifts may have been based on a lower RPI period.
- 6.5 The MTFS has a significant amount of savings built in from the Fit for the Future Programme. Failure to deliver these projects, all or in part, will increase the deficit and savings yet to be identified. Delays may drive up the costs of the enabling works and mean savings do not materialise as early as expected. There may also be revenue implications should the projects not have been assessed.
- 6.6 Unforeseen events, such as planning appeals, uninsured damage, legal challenges, can expose the Council to incur expenditure not previously budgeted for. Whilst the Council endeavours to cover these from its Contingency Budgets and Reserves, they may not prove adequate.
- 6.7 The ICT Replacement Schedule at Appendix 7 has been costed on existing intelligence. However the ICT Manager advises
 - It is likely that changes to Microsoft licensing may mean that the Council needs to convert from a device licence model to a user model. It is unclear what impact this will have on licence costs going forward until retendered.
 - Due to 'Brexit', and the impact on the dollar exchange rate, Microsoft has announced that it intends to increase its prices by a further 22%. Again it is unclear what the impact will be on prices at renewal because the Council purchase through a government negotiated framework. The Revenue Support and Maintenance Contracts are also quoted in dollars prior to conversion.
- 6.8 Changes in legislation may influence assumptions built into Budgets and the 5 year Strategy as well as increasing the costs of implementing these changes.
- 6.9 Many controls and mitigations are in place to help manage these risks. These include:-

- The comprehensive Budget Review process. This entails all budget managers reviewing their budgets on at least a monthly basis, considering previous, current and future years, along with any possible issues that may impact upon their budgets. As part of this process, Budget Review reports are issued to the Executive and Senior Management Team.
- Financial Planning with the MTFS/financial projections, bringing together all issues that will impact on the Council's finances in the medium term.
- Financial controls, including the Codes of Financial and Procurement Practice, system controls, reconciliations, audit (internal and external).
- Project Management and associated controls.
- Trained staff and access to appropriate professional advice (eg WCC Legal).
- Risk Management process across the Council, including the on-going review and maintenance of risk registers.
- Scrutiny by members of the Council's finances, including Budget Reports, and the financial implications of all proposals.
- Within the proposed 2018/19 there is a Contingency Budget of £200,000 (with further additional allocations proposed within this report) for any unplanned unavoidable expenditure.
- Reserves – The Council holds reserves as discussed within section 3.10. Whilst much of these reserves have already been earmarked for specific projects, it is important that reserves are held for any unforeseen demands.
- The General Fund Balance is £1.5m as discussed in paragraph 3.10.1. This is available to accommodate any unplanned expenditure, or to make up any shortfall in income. However, the Council should seek to maintain the balance at this level.
- The specific causes of reductions to income or increased expenditure should continue to be managed by the relevant Service Area as part of managing the risks within each Service Risk Register. Each Service Area's Risk Register is presented to Finance and Audit Committee bi-annually on a rolling basis for scrutiny.

7. Alternative Option(s) considered

- 7.1 The Council does not have an alternative to setting a Budget for the forthcoming year. Members could however decide to amend the way in which the budget is broken down or not to revise the current year's Budget. However, the proposed latest 2017/18 and 2018/19 budgets are based upon the most up to date information.

STATEMENT BY THE CHIEF FINANCIAL OFFICER

I am required to make this report by the Local Government Act 2003.

Robustness of Budgets

The preparation of the budgets started back in July. As the Head of Finance, and being a qualified and experienced accountant, I have overseen the process. The budgets have used the current year as their base. Budget Review process has shown where these do not form a reasonable basis for the following year. There has been a high level of scrutiny to the budget this year, along with budget monitoring throughout the year, from:-

- Budget Managers, the Senior Management Team (SMT) and Corporate Management Team (CMT)
- Portfolio Holders
- The Executive through the various preceding reports set out in the background papers
- Scrutiny Committees

Consequently I am satisfied that the budgets are prepared on a robust basis.

Heads of Service should also confirm the robustness of the budgets. Officers in all Services have been actively involved in preparing the budgets with the accountants. SMT members agreed the base budget.

In preparing the Budget, in view of the tight financial climate facing the Council along with the whole of the public sector, many budgets have again not been increased for inflation. In addition, budgets for supplies and services that are not subject to contractual inflation increases have been reduced by the last five years. With continuing improved procurement and management of contracts, better value for money should be able to be obtained from budgets. The Council is therefore committed to maintaining the procurement support that it is able to provide to budget managers. The Council does continue to hold a specific inflation provision where it is not possible to contain expenditure within budgets. To date these reductions in budget have not had any material impact upon services, as budget managers have managed to accommodate these budget reductions.

Adequacy of Reserves

There has been much discussion over what the appropriate levels of reserves are for a local authority to hold, with various papers being issued on this subject. However, it is for each authority to determine the right level of reserves, reflecting its individual circumstances and risk appetite.

The Audit Commission in its December 2012 report "Striking a Balance" discussed the reserves held by local authorities. Whilst it recognised it was for each body to determine the level of reserves it should hold, it was important for it to be clear

why it was holding those reserves. Within the main report and Appendix 3, the Council's reserves are discussed in detail.

In the Audit Commission's Value for Money Guidance (December 2010) the following is stated:-

"Financial planning

An annual budget is not enough to secure financial resilience. Organisations should set the budget in the context of a longer-term financial strategy and a medium-term financial plan (MTFP) covering for example, a three-to five-year horizon. The MTFP needs to be realistic. Assumptions around inflation, income levels, demographics and future demand for services need to be modelled and based on reasonable predictions.

The financial position of an organisation will depend on a number of factors including the level of borrowing, receivables outstanding, investment risks, council tax collection rates and levels of reserves."

The Council's budget and financial planning regime can be demonstrated to be robust.

The Code of practice on local authority accounting requires the purpose, usage and basis of transactions of earmarked reserves to be identified clearly. This is set out in Appendix 3 of this report and Finance and Audit Scrutiny Committee have been asked to pay particular attention to this (para 3.10.2 of report). In accordance with best practice on reserves and balances these have therefore been reviewed as part of the annual budget preparation. In addition there are forecasts for future years which are reflected in the medium term financial strategy. In considering the level of reserves in addition to the cash flow requirements CIPFA recommends that the following factors are considered: -

Budget assumptions	Financial standing and management
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates).
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management.
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures.
The treatment of efficiency savings/productivity gains	The strength of financial information and reporting arrangements.
The financial risks inherent in any significant new funding partnerships, major outsourcing deals or major	The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level.

Budget assumptions	Financial standing and management
capital developments	
The availability of other funds to deal with major contingencies	The adequacy of the authority's insurance arrangements to cover major unforeseen risks.

I have considered these matters and can advise members that they currently have a satisfactory level of reserves and balances, but need to address the medium term financial forecast in order to deliver balanced budgets in future years. Risks which may impact upon the Council's finances and the Budget, together with controls and mitigations, are set out in Section 6, and a risk assessment against the general fund reserve is set out in Appendix 11. The Council has self-insurance for small items but generally relies on external insurance for claims above £25,000, so there is no major risk in this area.

In making this assessment I have taken into account the contingency budget of £200,000 for 2018/19. The contingency provision reduces the possibility of the Council calling upon its General Fund balances

The immediate in-year budget risks to which the Council is exposed are low. However, there are currently additional risks in relation to the uncertain state of the economy (including on how this may impact upon the Council's partners), the current volatility of the Council's income sources, and the risks associated with capital schemes.

The medium term financial strategy has been prepared on a prudent basis given the uncertainties that face local government finance into the future. Whilst the 2018/19 budget has been prepared prudently, there are undoubtedly risks associated with it. However, with the level of reserves, the Council should be able to manage any risks throughout the year.

Members will need to address the underlying budget deficit in future years, and will need to ensure that proposals are brought forward in good time to balance the budget for 2019/20. Within the proposed Budget there are projects as part of Fit For the Future aimed at reducing costs and ensuring service provision meets customer expectations, further projects need to be agreed by members during 2018 that will make further savings. Members need to be mindful of the underlying budget situation throughout their decision-making and ensure that the savings requirement is given due priority.

Mike Snow

Head of Finance

January 2018

Earmarked Reserve Requests for 2018/19
Appendix 2

HRA / GF	Service Area	Budget Manager	Request	Detail	Value £
GF	Health & Community	M Rolfe	District Heating Project Officer	work starting 17/18 completion unlikely	10,000
GF	Health & Community	M Rolfe	District Heating Project	re-submission 16/17 O.L	17,200
GF	Asset Management	Daljeet Matharu	Electric Vehicles	Final payments following delays in starting lease agreement	2,100
GF	Neighbourhood Services	Graham Folkes Skinner	OSS Digital transformation	Money to be used in One Stop Shop (OSS) Digital Investment following the outcomes of the OSS Review	50,000
GF	Cultural Services	Rose Winship	Sports & leisure options legal fees	Legal advice re Sports & Leisure options	71,000
GF	Cultural Services	Rose Winship	Sports & leisure options consultants fees	Consultant support for development of proposals for Phase 2 (Kenilworth) of Leisure Development Programme	4,000
GF	Chief Executive	Michael Branson	Website	Updating search engine Spa Centre & Pumprooms	2,900
GF	Chief Executive	David Butler	Contribution to C&W Growth Hub	Annual contribution not yet due	13,400
GF	Cultural Services	Stuart Winslow	Playing Pitch Strategy	Neil Allen - Refresh Playing Pitch Strategy	10,000
GF	Chief Executive	Tass Smith	Digital by default new crem system	Replacement Crematorium system	15,000
	Chief Executive	Tass Smith	Digital by default Barcode generation for Misc payments	Barcode generation for Misc payments	2,700
GF	Housing	Ken Bruno	Private stock condition survey	Currently procuring a supplier to undertake survey	75,000
GF	Cultural Services	David Guilding	Arts Active Network Project	Matched funding - project likely 1st Quarter 2018/19	6,500
GF	Chief Executive	Ty Walter	Update remote access	Upgrade of the Council's remote access solution which is used by home workers, contractors and application vendors for support purposes.	3,300
GF	Chief Executive	Ty Walter	Upgrade Councils wireless network	Consultancy to assist in the upgrade to the Councils Wireless network	3,300
GF	Chief Executive	Graham Leach	Data protection officer	Shared cost expenditure of Information Governance Manager with Stratford upon Avon District Council	5,800
Total GF					292,200
HRA	HRA	James Baker	Chandos Court communal flooring	Replacement of communal flooring to Chandos Court	10,700
Total HRA					10,700

WARWICK DISTRICT COUNCIL

GENERAL FUND SUMMARY

	NET EXPENDITURE			
	Actual 2016/17 £	Original Budget 2017/18 £	Latest Budget 2017/18 £	Original Budget 2018/19 £
Portfolio Service Expenditure:				
Cultural Services	3,874,391	3,204,900	4,003,100	4,257,600
Development Services & Business	2,617,146	1,578,100	1,993,800	2,070,400
Finance	2,024,669	2,461,200	2,533,800	3,395,300
Health & Community Protection	2,677,208	2,566,500	3,002,900	2,965,000
Housing & Property Services - General Fund	1,525,809	2,185,800	2,524,500	2,524,800
Neighbourhood Services	3,618,704	4,466,600	5,301,300	5,248,300
Strategic Leadership	1,391,702	1,451,600	1,508,800	1,609,700
NET COST OF GENERAL FUND SERVICES	17,729,629	17,914,700	20,868,200	22,071,100
Replacement of Notional with Actual Cost of Capital				
- Deduct Notional Capital Financing Charges in Estimates	(4,085,789)	(3,374,500)	(2,972,800)	(5,236,200)
- Add Cost of Loan Repayments, Revenue Contributions and Interest Paid	8,453	502,200	239,900	500,700
Revenue Contributions to Capital	1,381,791	498,100	85,000	80,000
Contributions to / (from) Reserves	(2,470,126)	282,633	(1,246,000)	4,128,824
Net External Investment Interest Received	(327,667)	(261,700)	(313,800)	(461,500)
IAS19 Adjustments	(440,766)	(602,900)	(2,015,400)	(2,030,500)
Accumulated Absences Account	(1,015)	-	-	-
Contributions to / (from) General Fund Balance	(210,894)	(99,860)	210,415	(310,255)
NET EXPENDITURE FOR DISTRICT PURPOSES	11,583,616	14,858,673	14,855,515	18,742,169
Less: Revenue Support Grant	(1,586,731)	(793,675)	(793,675)	(306,736)
Less Business Rates	282,699	(3,829,000)	(3,522,900)	(6,976,500)
Less: General Grants	(2,346,210)	(1,987,958)	(2,290,900)	(2,817,411)
Collection Fund (Surplus) / Deficit	(55,000)	20,000	20,000	-
EXPENDITURE BORNE BY COUNCIL TAX - WARWICK DISTRICT COUNCIL	7,878,375	8,268,040	8,268,040	8,641,522
Aggregate Parish Council Expenditure	1,305,773	1,412,612	1,412,612	To Follow
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX	9,184,148	9,680,652	9,680,652	8,641,522
Warwickshire County Council Expenditure	64,798,158	68,463,549	68,463,549	To Follow
Warwickshire Police and Crime Commissioner	9,959,757	10,119,192	10,119,192	To Follow
TOTAL EXPENDITURE BORNE BY COUNCIL TAX	83,942,063	88,263,393	88,263,393	8,641,522
BAND D EQUIVALENT COUNCIL TAX:				
Warwick District Council	151.86	156.86	156.86	161.86
Parish and Town Councils (Average)	25.17	26.80	26.80	To Follow
DISTRICT & PARISH BAND D EQUIVALENT COUNCIL TAX	177.03	183.66	183.66	161.86
Warwickshire County Council	1,249.02	1,298.88	1,298.88	To Follow
Warwickshire Police Authority	191.98	191.98	191.98	To Follow
TOTAL BAND D EQUIVALENT COUNCIL TAX	1,618.03	1,674.52	1,674.52	161.86
Council Tax Base (Band D Equivalents)	51,879.20	52,709.68	52,709.68	53,388.87

ANDREW MOBBS
Leader of the Executive

MIKE SNOW
Responsible Financial Officer

	2017/18 £'000	2017/18 Latest £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Base Cost of General Fund Services	20,805	17,914	20,869	22,070	20,400	20,894	21,135
Inflation on Controllable Expenditure	0	0	0	256	260	279	298
Recurring Growth	111	1,300	-124	-75	725	676	173
Items funded from Reserves	520	2,556	1,316	753	589	208	208
Total New time limited growth/savings	385	-499	708	-580	-907	-1,240	-1,215
Less previous year 1 Off/Time Limited Grow	-2,647	0	-2,962	-2,024	-173	318	1,032
Changes in Capital Charges	-1,260	-402	2,263	0	0	0	0
Net Cost of General Fund Services	17,914	20,869	22,070	20,400	20,894	21,135	21,631
Less:Capital Financing Charges	-3,374	-2,973	-5,236	-5,236	-5,236	-5,236	-5,236
Less IAS19 included above	-603	-2,015	-2,031	-2,031	-2,031	-2,031	-2,031
add:Government Grants Deferred W/Out	0	0	0	0	0	0	0
Controllable Expenditure	13,937	15,881	14,803	13,134	13,628	13,869	14,365
Financing Charges etc.							
Loan repayments etc	502	240	501	501	501	495	468
Revenue Contributions to Capital	498	85	80	80	80	80	80
Contributions to/from reserves	184	-1,246	4,129	294	-711	-314	-205
External investment interest	-262	-314	-461	-592	-742	-809	-809
Total Financing Charges etc	922	-1,235	4,249	283	-872	-548	-466
Contribution to/from GF Balance		210	-310				
Increased Council Tax Freeze Grant							
New Homes Bonus							
Use of new Homes Bonus							
(Deficit)/Surplus		-0					
(Deficit)/Surplus from SBR Grant							
Net Expenditure	14,859	14,856	18,742	13,417	12,756	13,321	13,899
Revenue Support Grant	-794	-794	-307	0	0	0	0
Transition Grant	-40	-40					
New Homes Bonus returned	-10	-8	-4				
NNDR redistributed	-3,829	-3,523	-6,976	-4,545	-3,436	-3,528	-3,623
NNDR redistributed							
NNDR Top Up/Tariff Adjustment				237	237	237	237
NNDR Business Rate Retention Provision for Appeals/BDP							
Discretionary Business Rate relief Grant		0	0	0	0		
Homelessness Prevention Grant		-275	-301				
New Burdens Self and Custom Build Housing		-30	-30	-15			
New Homes Bonus Earmarked for CVS Contracts			0	0	0	0	0
New Homes Bonus	-1,938	-1,938	-2,482	0	0	0	0
Collection Fund Balance	20	20					
Total AEF/Collection Fund	-6,591	-6,587	-10,100	-4,323	-3,199	-3,291	-3,386
Council Tax borne expenditure	8,268	8,268	8,642	9,094	9,557	10,029	10,513
Equivalent to Band D Council Tax	156.86	156.86	161.86	166.86	171.86	176.86	181.86
% increase on previous year	3.31%	3.31%	3.19%	3.08%	3.01%	2.91%	2.83%
Council Tax Base	52,710	52,710	53,389	54,500	55,600	56,700	57,800

Medium Term Financial Strategy

Recurring Developments

Appendix 4(iii)

Description	Narrative	2017/18	£	2017/18		2018/19	£	2019/20	£	2020/21	2021/22	2022/23	Portfolio	Category
				Latest	£					£	£	£		
Above inflation growth	to allow for staff increments		40,000		-40,000				50,000	50,000	50,000		Corporate	annual growth additional
Fees and Charges			-139,458				-139,458						Corporate	income additional
Fees and Charges	September 2017 Executive						-75,642						Corporate	income Unavoidable
Business Rates	Base Budget Setting process		21,300										Corporate	pressure annual
inflation provision	reflection of volatility of the economy		50,000		-50,000		50,000						Corporate	growth annual
Salaries	Pay Award		144,400				264,600						Corporate	growth Unavoidable
National Employment Savings Trust (NEST)			63,750				63,750						Corporate	pressure Saving-
FFF26 Terms and Conditions changes			-45,000										Corporate	planned Saving-
FFF26 Terms and Conditions changes	Revised forecast October 2016		2,250										Corporate	planned Saving-
FFF27 Riverside House Relocation											-300,000		Corporate	planned Unavoidable
New Living Wage									50,000				Corporate	pressure
Support service Review	Appendix I Items 2 to 18		-50,000										Corporate	Saving-planner
Change Energy supply process	Appendix I Items 2 to 18		-207,000										Corporate	Saving-planner
Apprenticeship Levy			42,372										Corporate	Unavoidable p
Increase in Electricity costs arising from new contract			113,400				15,000						Corporate	Unavoidable p
FFF16 Other Corporate employee savings from Leisure Centre operation outsourcing - Other	FFF Programme - June 16 Exec						-152,000						Corporate	Saving-planner
FFF16 Other Corporate employee savings from Leisure Centre operation outsourcing - Other	FFF Programme - June 16 Exec						152,000						Corporate	Saving-planner
FFF20 Senior Management Review	FFF Programme - June 16 Exec											-200,000	Corporate	Saving-planner
FFF23 Reduction in Council Discretionary spend	FFF Programme - June 16 Exec		-25,000				-25,000		-25,000	-25,000			Corporate	Saving-planner
Pension fund Increases 2017-18	updated May 2017 Dec 2016 Updated May 2017		103,000										Corporate	Unavoidable p
Pension Fund Increases			-17,970				58,415		84,000	84,000	84,000	84,000	Corporate	Unavoidable p
Fees and charges 2017-18	28/09/16 Exec		-89,500										Corporate	additional incc
Crematorium salaries			1,200										Corporate	cost
Apprenticeship Levy	Per revised calculation		-2,661										Corporate	Unavoidable p
Minor Budget Changes			28,954		2,800		-1,200						Corporate	cost

Description	Narrative	2017/18	2017/18		2018/19	2019/20	£	2020/21	2021/22	2022/23	Portfolio	Category
			£	Latest	£							
IAS 19 changes			37,600	1,412,000	15,100						Corporate	notional
FFF4 Local Lottery	June 2017 Executive Report				-15,000	15,000					Corporate	Saving-planner
Support Services Review Saving not entered in detailed Budgets even though entered in Strategy				-50,000							Corporate	Saving-planner
NNDR increases on General Fund Properties	2017 Revaluation, Transitional relief reducing year on year				41,300	44,700	28,600	19,200	25,400		Corporate	Unavoidable p
NNDR increases on General Fund Properties	2017 Charges			46,100							Corporate	Unavoidable p
Apprenticeship Scheme	november 2017 Executive				100,000	50,000					Corporate	cost
Impact of National Living Wage on Pay scales (scales revised from 2019/20)	Employer Offer December 2017				48,000	150,000					Corporate	Unavoidable p
Catering Contract	July/August Executive		-13,100								Culture	Saving-planned
FFF17 Restructure Arts and Entertainments	Appendix I Items 2 to 18		-40,000								Culture	Saving-planner
FFF16 Leisure Options	Appendix I Items 2 to 18				-250,000	-250,000					Culture	Saving-planner
FFF16 Leisure Options	Appendix I Items 2 to 18				250,000	250,000					Culture	Saving-planner
FFF16 Leisure Options	Contract Starts June 2017					-600,000					Culture	Saving-planner
FFF16 Leisure Options	Contract Starts June 2017					600,000					Culture	Saving-planner
FFF16 Leisure Options	Inflation applied in line with Strategy Inflation Assumptions										Culture	Saving-planner
FFF28 Town Hall Transfer	Appendix I Items 2 to 18								-85,000		Culture	Saving-planner
Town Hall offices vacated by Bromford 30/6/16 - lease income	Culture		3,200								Culture	cost
FFF16 Leisure Centre Business Support Team	FFF Programme - June 16											
Staff Review- Cultural Services	Exec, Incorporated into 2017/18 Base Budgets										Culture	Saving-planner
FFF16c Other Corporate employee savings from Leisure Centre operation outsourcing - Housing & Property Services (Warwick Plant Maintenance included in 2017/18) & Direct Leisure Centre Saving)	FFF Programme - June 16 Exec				66,000						Culture	Saving-planner
FFF16 Other Corporate employee savings from Leisure Centre operation outsourcing - Culture	FFF Programme - June 16 Exec				-87,000						Culture	Saving-planner
FFF16 Other Corporate employee savings from Leisure Centre operation outsourcing - Other	Leisure Centre Business Support Non Pay Costs savings built into 2017/18 Budgets				72,500						Culture	Saving-planner
FFF16 Other Corporate employee savings from Leisure Centre operation outsourcing - Other	Leisure Centre Business Support Non Pay Costs savings built into 2017/18 Budgets, full £87k not taken out				14,500						Culture	Saving-planner

Description	Narrative	2017/18	2017/18		2019/20	£	2020/21	2021/22	2022/23	Portfolio	Category
			£	Latest							
RSC salaries			2,600							Culture	cost
FFF16f Reduced net exp LC budgets			28,600		-271,500					Culture	Saving-planner
Arts Programme Support Officer - transferring from Cultural Services Technical Support Team but virement omitted from Budget report			10,600							Culture	cost
Incorrect NI calculation Client monitoring budgets	Culture Leisure Options		-900							Culture	Saving-fortuitu
Contract Cleaning at Town Hall	March 2017 SMT Report			-4,000						Culture	Saving-fortuitu
Staff Training Budget omitted from new Client Su	Culture			7,000						Culture	cost
Aviary Rental income overstated				7,100						Culture	cost
Occupation Town Hall Room 11 from 23 June 2017				-10,000	-3,000					Culture	Saving-fortuitu
FFF17 Salary savings "The Arts" re-structure 2017				-5,000						Culture	Saving-planner
Pump Rooms and Jephson Gardens Catering Service Charges				-1,300	-900					Culture	Saving-fortuitu
Spa Centre income from ticket sales (WDC) & Commission on Non-WDC ticket sales				-30,500						Culture	Saving-fortuitu
New Tills at Spa Centre (ERR funded) additional on-going Cost					1,900					Culture	cost
Postages budget deleted in error upon Costs Centre changes					500					Culture	cost
Creation of Sports Programme Manager post					28,000	28,000				Culture	cost
Creation of Sports Project officer					20,900	20,800				Culture	cost
Developer Commuted Sums Reserve reducing Development Services Redesign Recurrent costs from 2017/18 (16/17 funded from Contingency Budget)			22,798		5,605					Development	committed expenditure
			33,160							Development	cost
Development Services Technical support team	FFF Programme - June 16 Exec		-15,000		-15,000					Development	Saving-planner
Ordnance Survey Sale			700							Development	cost
Planning - Viability Appraisals			10,000							Development	cost
Changes to Development Services Salaries 2017/2018			57,100							Development	cost
Changes to Building Control Salaries 2017/2018 - Increments/Pay award			-1,400							Development	cost
now included in- Development Services Redesign Recurrent costs from 2017/18 (16/17 funded from Contingency Budget)			-33,160							Development	cost
Heritage Open Days	Previously Funded from Capital Investment Reserve							4,000		Development	cost
Open Space Events			-700							Development	Saving-fortuitu
FFF5 Tourism/ VIC changes cost reduction (NB. Report	June 2017 Executive				-15,000					Development	Saving-planner

Description	Narrative	2017/18		2019/20		2020/21		2021/22		2022/23		Portfolio	Category
		2017/18	£	Latest	£	2018/19	£	£	£	£	£		
	June 2017 Executive												
FFF9 Restructure-Development Management Te Report						16,000						Development	cost
Reduction in Land Charges Income					10,000							Development	cost
Reduced income from market rents under new contract with CJ's Events					6,000							Development	cost
Salary Budget Changes Development Services - 2018/19					3,800							Development	Saving-fortuitu
Recurring Increase in Planning Income following approval of the Local Plan						-498,000						Development	Saving-fortuitu
Projects Officer (Office Relocation)						57,300						Development	cost
Projects Officer	To Assess Commercial and Strategic Opportunities					45,400						Development	cost
Reduction in HB/CTB Admin Subsidy									226			Finance	pressure
FFF14 Review of Concurrent Services and Parish support	FFF Programme - June 16 Exec		-58,300			-58,300		-31,600				Finance	Saving-planner
FFF16a Other Corporate employee savings from Leisure Centre operation outsourcing - Finance	FFF Programme - June 16 Exec					-28,000						Finance	Saving-planner
FFF16bOther Corporate employee savings from Leisure Centre operation outsourcing - Finance	FFF Programme - June 16 Exec					-8,500						Finance	Saving-planner
Payments processing transaction charges and loss of credit card surcharge income			20,000									Finance	Unavoidable p
Increased Insurance Premium Tax	Autumn Statement 2016		5,500									Finance	Unavoidable p
Additional CIVICA costs on Benefits	E Forms and Risk Based Officer & Maintenance support		46,000		-26,000							Finance	Unavoidable p
Revenues additional resources			32,000									Finance	cost
£15k shortfall on Local Council Tax Support Grant					15,000							Finance	Unavoidable p
HB Admin Subsidy Grant Shortfall					25,000							Finance	Unavoidable p
Provision for National Living Wage not drawn on in previous years	2016/17 Final Accounts				-19,100							Finance	Saving-fortuitu
Change in Benefits Expenditure based on 2017/18 Mid-Year Claim Estimate						-2,909,100						Finance	Saving-fortuitu
Change in Benefits Subsidy Based on 2017/18 Mid-Year Claim Estimate						2,859,400						Finance	Saving-fortuitu
Salary Budget Changes Finance - 2018/19					-29,700							Finance	Saving-fortuitu
Pensions Provision not needed					-15,300							Finance	Saving-fortuitu
Procurement Partnership with WCC						20,000						Finance	cost
Restoration of Principal Accountant Post to Full						11,200						Finance	cost
Housing benefit and Council Tax Support Subsidy shortfall						40,700						Finance	cost
Reduction in Revenues Court Fees Received based on fees received to date and number of courts remaining this year					20,000							Finance	
CCTV Revenue Savings from new tender	lower annual maintenance, no inflation							-1,160	-1,160	-1,160	-1,160	Health & Community Protection	Saving-fortuitus

Description	Narrative	2017/18		2019/20		2020/21		2021/22		2022/23		Portfolio	Category
		2017/18	£	Latest	£	2018/19	£	2019/20	£	2020/21	£		
Community Forums and Community	2014-15, & slippage 2019/20 2014-15					9,217		30,783				Community	expenditure
			163									Community Health & Community	cost
FFF2 CCTV Staff Overlap Period Review	FFF Programme - June 16 Exec											Community Protection Health & Community	Saving-planner
FFF24 Review of Community Partnership arrangements	FFF Programme - June 16 Exec					-36,750		-12,250				Community Protection Health & Community	Saving-planner
Public Places and Project Team Leader regraded			5,400									Community Protection Health & Community	cost
CCTV Salaries (scale increment)			1,300									Community Protection Health & Community	cost
Environment salaries			200									Community Protection Health & Community	cost
EH Food and Occupational Safety (FOSH) salaries - (Reduce hours and new starter at bottom of grade)			-7,100									Health & Community Protection Health & Community	Saving-fortuitu
Licensing Salaries (increment)			800									Community Protection Health & Community	cost
Occupation of 2nd Floor Offices Riverside House from 11/4/16 CWS			-700									Community Protection Health & Community	Saving-fortuitu
Community safety salaries - (Regrade)					1,400							Community Protection	cost
NNDR - Riverside House - increase due to Mazar Split					14,200							Health & Community Health & Community	cost
Health and Community Protection Restructure					30,000	11,400						Community Protection Health & Community	cost
Health and Community Protection Restructure Priority Funding scheme remove time limited budget					-117,400	45,600						Community Protection	Saving-planner
Reduction in applications for Taxi Drivers - CRB checks						-15,000						Health & Community	Saving-fortuitu
Reductions in applications for new driver knowledge test					3,500							Health & Community	cost
Review of Provision of Temporary Accomodation for Homeless Households						2,000						Health & Community	cost
HEART project - increase in funding requirements	FFF Programme - June 16 Exec											Housing	Saving-planner
	June 2017 Executive Report		48,500		83,400							Housing	Unavoidable p
FFF8 Reduce B&B placements						-60,000						Housing	Saving-planner
Private Sector Housing-Joint Post Contribution Ceased December 2015					-17,400							Housing	Saving-fortuitu
Rent Rebates Crash Pad actual income below budget	2016/17 Final Accounts				6,100							Housing	cost

Description	Narrative	2017/18		2017/18		2019/20		2020/21		2021/22		2022/23		Portfolio	Category
		2017/18	£	Latest	£	2018/19	£		£		£		£		
Legal Costs for Waterloo Housing Agreement	Less Budget Required now agreement in place				-13,700									Housing	Saving-fortuitu
Home Choice Lettings	ongoing software support					28,000								Housing	cost
Building surveying salaries					10,900	6,600								Housing	cost
M+E GF Cyclical requirements reviewed			7,900	17,900										Housing	cost
Private Sector Housing salaries 2018/19					3,700									Housing	cost
Major Contract Renewals & Inflation at -1% RPI (August announced September)	GM and Waste Management		32,100			132,882		24,000	4,901	1,700,000				Neighbourhood	Unavoidable pressure
Grounds Maintenance	profiling of additional/expired funding		22,798			5,605								Neighbourhood	committed expenditure
Car Parking	Repairs and Maintenance Budget					10,000		5,000						Neighbourhood	committed expenditure
Waste Management	New Properties		13,000			13,000		13,000	13,000	13,000				Neighbourhood	annual growth
Street Cleaning	New Adopted roads to be cleansed		10,000			10,000		10,000	10,000	10,000				Neighbourhood	annual growth
Waste Management	Growth above original assumptions July 2017				14,075	23,600		27,700	27,500	24,200	18,700			Neighbourhood	annual growth
Street Cleaning	Growth above original assumptions July 2017				11,800	19,500		22,700	22,600	19,900	15,500			Neighbourhood	annual growth
Revenue saving on Lighting at Linen Street Car Park/increased usage	August Executive Updated December 2015		-1,200			-3,600								Neighbourhood	Saving-fortuitus
Digital by Default	Executive(Total less		60,000											Neighbourhood	cost
FFF15 CSC/OSS Review	Appendix I Items 2 to 18		-100,000			-41,700		-8,300						Neighbourhood	Saving-planner
FFF1 Review of One Stop Shop service	FFF Programme - June 16 Exec		-50,000											Neighbourhood	Saving-planner
Review of Ranger Service	FFF Programme - June 16 Exec		-20,000		-30,000									Neighbourhood	Saving-planner
Additional car park income	Neighbourhood		-90,000											Neighbourhood	additional incc
Head of Neighbourhood Services salaries - 2016/17 pay award			2,500											Neighbourhood	cost
Green Space Development salaries (scale increment)			2,000											Neighbourhood	cost
Waste Management salaries			-1,600											Neighbourhood	Saving-fortuitu
Ranger Services salaries (opted out of pension, new starter on bottom of grade)			700											Neighbourhood	cost
recycling credits	from new developments		-10,356			-14,008		-15,562	-15,498	-14,216				Neighbourhood	Saving-fortuitu
FFF21 Crematorium Restructure	Net additional income (March 2017 Executive June 2017 and August				-61,700									Neighbourhood	Saving-planner
FFF10 Restructure – Neighbourhood Services	2017 Executive Reports					45,500								Neighbourhood	cost

Description	Narrative	2017/18	£	2017/18		2018/19	£	2019/20	£	2020/21	2021/22	2022/23	£	Portfolio	Category
				Latest	£										
Property Growth - more houses to service					40,000									Neighbourhood	Unavoidable p
HRA Grounds Maintenance being paid for by															
General Fund. Transferred to HRA					-83,200									Neighbourhood	Saving-fortuitu
3 x Contract Services officer regraded to E1 (scp															
27/30) by Hay Panel					9,100									Neighbourhood	cost
Fly tipping& other Enviromental Enforcement															
provided by Rugby Borough Council							30,000							Neighbourhood	cost
One Stop Shop Salaries					-1,900		15,200							Neighbourhood	cost
Bereavement salaries					800		1,600							Neighbourhood	cost
Maintenance of outdoor paddling pools	No longer carried out by														
idverde, Rent of Land Off Saltisford Road,	Warwick Plant				43,700									Neighbourhood	cost
Warwick					-15,000									Neighbourhood	Saving-fortuitu
New Lease - Suez Recycling & Recovery					-9,000									Neighbourhood	Saving-fortuitu
Grounds Mainternance Costs at Cemetries					11,000		200							Neighbourhood	cost
Water Charges for car parks - insufficient															
budget					8,000									Neighbourhood	cost
Car Parks - Cash Collection Service - insufficient															
Budget					5,000									Neighbourhood	cost
FFF16c Other Corporate employee savings from															
Leisure Centre operation outsourcing - Housing															
& Property Services	FFF Programme - June 16 Exec						-66,000							Property	Saving-planner
FFF16d Other Corporate employee savings															
from Leisure Centre operation outsourcing -															
Housing & Property Services	FFF Programme - June 16 Exec						-24,800							Property	Saving-planner
FFF16d Other Corporate employee savings from															
Leisure Centre operation outsourcing - Housing															
& Property Services (Warwick Plant															
Maintenance included in 2017/18) & Direct															
Leisure Centre Saving)	FFF Programme - June 16 Exec						24,800							Property	Saving-planner
Jubilee House - Rents Other, Service Charges															
Reduced as Tenants now pay NNDR directly			5,000											Property	cost
Land adjacent to Stable Block Transferred to															
Jockey Club	March 2017 Executive				-3,000									Property	Saving-planner
	June 2017 Executive														
	Report													Property	Saving-planner
FFF6 Restructure – Property															
Estate Management (parking Spaces rear of Jury															
Street no longer renting)					-6,700									Property	Saving-fortuitu
26 Hamilton Terrace revised income					-15,700									Property	Saving-fortuitu
Asset & Energy Management salaries					6,100		-2,300							Property	cost
Abbey Fields Cafeteria following Leisure Options					7,300		1,300							Property	cost

Description	Narrative	2017/18		2019/20		2020/21		2021/22		2022/23		Portfolio	Category
		2017/18	£	Latest	£	2018/19	£	£	£	£	£		
Estate Management Insurances recharged and Legal Fees	Net											Property	Saving-fortuitu
M+E GF responsive requirements reviewed												Property	cost
Cleaning Contingency not needed												Property	Saving-fortuitu
FFF29 Member Allowances	Appendix I Items 2 to 18											Strategic	
FFF16h Other Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing - HR	FFF Programme - June 16 Exec											Strategic	
FFF16h Other Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing - HR	FFF Programme - June 16 Exec											Strategic	
FFF16eOther Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing -ICT	FFF Programme - June 16 Exec											Strategic	
FFF16h Other Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing - Other	Media & HR over-estimated											Strategic	
FFF16h Other Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing - Other	Media & HR over-estimated											Strategic	
FFF16h Other Corporate employee savings from												Leadership	Saving-planner
Leisure Centre operation outsourcing - Other	Media & HR over reduction											Strategic	
ICT salaries	per salary estimates		3,300									Leadership	cost
ICT salaries Hay regrade			3,200									Strategic	Leaders cost
FFF29 Members Allowances	June 2017 Executive											Strategic	Leaders cost
Democratic Repreesntation councillors	(2017/18 cost from											Strategic	
superannuations costs no longer payable												Leadership	Saving-fortuitu
Equitrac Support after 5 year period of purchase												Strategic	
Strategic Leadership varoius small Budget												Leadership	Saving-fortuitu
Adjustments												Strategic	
media room future years click savings												Leadership	cost
HR- WM jobs recruitment portal												Strategic	Saving-planner
Budget Consultation Process												Leadership	cost
ICT Business Analyst Post deleted												Strategic	Saving-fortuitu
FOI shared legal services												Leadership	cost
Dem rep & man committee teas cost of biscuits												Strategic	cost
Local elections Schofields Law publication												Leadership	cost
insufficient budget												Strategic	
Savings required	February 2018											Leadership	cost

Description	Narrative	2017/18		2017/18		2018/19		2019/20		2020/21		2021/22		2022/23		Portfolio	Category
		2017/18	£	Latest	£	2018/19	£	2019/20	£	2020/21	£	2021/22	£	2022/23	£		
Total Recurring Developments			111,294	1,299,975		-123,984		-74,653		724,880		676,125		173,087			

Medium Term Financial Strategy

Non Recurrent Developments

Appendix 4(iv)

Description	Narrative	2017/18 £	2017/18 Latest £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Portfolio
Budget Consultation Process	Simalto/Residents Surveys to re	-15,800							Corporate
Waterloo NHB Payment		178,525		170,287					Corporate
Minor Budget Changes		-3,000	24,000	-27,000					Corporate
Digital Transformation of Council Services	C/F Salary Savings								Corporate
Contingency Budget		200,700	61,500	200,000					Corporate
Contingency Budget	Contribution to Spa Centre Sound System (C		-5,000						Corporate
	transfer to 2018/19 though								
Digital Transformation	Ear Marked Reserve	200,000	-70,800						Corporate
	transfer to 2018/19 though								
Digital Transformation (already in Base Budget)	Ear Marked Reserve		-16,000						Corporate
New PA System									Corporate
Price Inflation									Corporate
Cleaning Contingency									Corporate
Minor Adjustments			1,500						Corporate
	2017 Changes (net position								
NNDR iNet credit on General Fund Properties	for refunds & charges)		21,000						Corporate
Fees and Charges	September 2017 Executive		-41,400						Corporate
NNDR - refunds/changes during year			-16,200						Corporate
NNDR - refunds/transitional Relief adjustment				7,200					Corporate
small variations			-17,000	-15,000					Corporate
Insurance Provision	not required		-40,000	-40,000					Corporate
RSC Bar salaries		1,600							Culture
Fees & Charges RSC		-4,200							Culture
Fees & Charges Pump Rooms		-300							Culture
Fees & Charges Bowls		800							Culture
Fees & Charges - Pitches		2,200							Culture
Fees & Charges - Track		-400							Culture
	Shortfall on Reserve								
Leisure Options Project Manager	Funding	3,421							Culture
Kenilworth Leisure Phase 2		100,000							Culture
FFF16g Leisure Options	Contract Starts June 2017				-635,425	-922,544	-1,252,456	-1,230,591	Culture
NNDR Refund Newbold Comyn LC			-24,000						Culture
April /May salary Sports & Leisure Manager									
omitted from budgets in error			7,600						Culture
Golf course electricity service charges arrears									
written off			11,700						Culture
Recharge golf course electricity 2010-2015 written									
off			17,900						Culture

Description	Narrative	2017/18 £	2017/18 Latest £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Portfolio
Castle Farm Tennis nets Earmarked Reserve not required			-1,700						Culture
Actual Employee costs for transferred Leisure Centres and Sports Halls for April/May			-11,300						Culture
Income variation Leisure Centres / Sports Halls April & May 2017			-13,800						Culture
Settlement for Floats stock transferred to Everyone Active			-1,200						Culture
Adjustments to actual profit share amounts on transfer of Dual Use Sites			1,600						Culture
Leisure Centres Gas & Electricity			-14,700						Culture
Spa Centre income from ticket sales (WDC) & Commission on Non-WDC ticket sales			-122,500						Culture
Further F & C adj following discovery of miscoding - SNPLC and Castle Frm	St Nicolas Park & Castle Farm Leisure Centres		4,800						Culture
Postages budget deleted in error upon Costs Centre changes			2,000						Culture
Planning - increase in income		-298,000							Development
Planning - Consultancy Fees		27,400							Development
New Burdens Self and Custom Build Housing			30,000	30,000	15,000				Development
Service Charges Kenilworth Senior Citizens Clubhouse Southbank Road Non Rec)			1,300						Development
Contributions to Enterprise Reserve from Revenue Surplus			-23,700	-23,700	-23,700	-23,700	-23,700	-23,700	Development
Inceased Planning Fee Income			-300,000						Development
	To go to Enterprise Reserve								
CSCA - Legal Fees saving to Enterprise Reserve			-700						Development
Planning Gain Income			-204,500						Development
Planning Gain Income	To be paid over to CCG		133,700						Development
Self & Custom Build House Register (£15,000.00)	Revenue Contributions in Advance Reserve		-30,000	-30,000	-15,000				Development
Building Control Standby Buy-out			7,500						Development
Salary Budget Changes Development Services - 2017/18			-44,600						Development
Government Grants Received in Advance	Benefits Staff		-27,300						Development
Costs of Collection reduced £100 2016/17									Finance
Internal Audit Review	Every 5 years					3,500			Finance
Financial Services Salaries		-30,700							Finance
Benefits Transfer Payments 2017/18		-979,700							Finance
Benefits Subsidy 2017/18		964,800							Finance
Additional One-Off DWP funding received during 2017/18			-51,800						Finance

Description	Narrative	2017/18 £	2017/18 Latest £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Portfolio
LADS Data Sharing Costs & RTI Data Matching funded from additional DWP funding			6,900						Finance
Change in Benefits Expenditure based on 2017/18 Mid-Year Claim Estimate			#####						Finance
Change in Benefits Subsidy Based on 2017/18 Mid-Year Claim Estimate			1,894,600						Finance
Salary Budget Changes Finance - 2017/18			-25,600						Finance
Recovery of some of car loan written-off in 2013			-650						Finance
Refund of Retained Earnings to Audited Bodies			-6,600						Finance
NFI Initiative not carried out this year			15,000						Finance
Interim Accountancy Support				31,000					Finance
EMR for Lillingtonnot required (£26.3K)			-26,300						Finance
Interim Accountancy Support			27,000	45,000					Finance
Fees & Charges Dog Warden		-400							Health & Community Protection
Fees & Charges Rodent Control		-400							Health & Community Protection
Correction to Salary calculations			40,000						Health & Community Protection
NNDR - Riverside House - increase due to Mazar Split			30,100						Health & Community Protection
FOSH legal fees due to recent fatality			10,000						Health & Community Protection
Licensing and Fosh salary restructure			-28,700						Health & Community Protection
Private Sector Stock Condition Survey	from Equipment Renewal Sched	75,000							Housing
Housing Market Assessment	from Equipment Renewal Sched			60,000					Housing
RCCO (DCLG Disabled Facilities Grant towards Private Sec	now all Revenue not BtL	-373,058	373,058						Housing
Better Care Funding confirmed for next 2 years	(Linked to DFG on top of original allocation)								Housing
Private Sector Housing additional Resources	Funded from New Homes Bonus,net of HIMO income from 2018/19	37,500							Housing
Homeless Prevention	2 year Grant from Government now going to Reserve)								Housing
Housing Advice salaries			-9,200	-5,400					Housing
Private Sector Housing one month vacancy re temporary posts			-6,100						Housing
two temporary posts for this year for managing the peak in HMO relicensing activity				61,000					Housing
Warwick Direct salaries bottom of scp	per salary estimates	-7,700							Neighbourhood
Reception salaries	per salary estimates	-3,100							Neighbourhood
Town Hall salaries		1,800							Neighbourhood
Crematorium income fees and charges									Neighbourhood
Fees & Charges Bereavement Cemeteries		-19,700							Neighbourhood

Description	Narrative	2017/18 £	2017/18 Latest £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Portfolio
One Stop Shop Digital Investment		50,000							Neighbourhood
Linen Street Reprovision (Feasibility work)		250,000							Neighbourhood
Refuse Containers Delivery (declassified Capital)		40,000		40,000	40,000	40,000	40,000	40,000	Neighbourhood
Seconded Post in Waste Management to be funded from One Stop Shop Vacancies	One Stop Shop adjustment in Original Budgets but not Waste Management		20,900						Neighbourhood
Fly tipping enforcement provided by Rugby Borough Council	6 months plus set-up costs		30,000						Neighbourhood
One Stop Shop Salaries			-2,200						Neighbourhood
Contract Services/Ranger Services & Car Parking - salary restructure - staff not on top of grade yet				-6,200					Neighbourhood
Payments processing credits from transaction charges till Feb 2018 net of PCIDSS compliance costs			-23,000						Neighbourhood
Car Parking Income	To reserve		-115,000						Neighbourhood
Int Waste legal fees			3,500						Neighbourhood
Warwick Plant Maintenance salaries			-3,900						Property
39 High St Kenilworth Re Footpath Diversion	Contribution from Owner								Property
39 High Street, Kenilworth. £22.5K will now be received 2017/18 & 2018/19 To Reserves. To go to Reserves			-7,000	-15,500					Property
Vacant Property - 8 Clarendon Ave, L/Spa. New Lease from 21/8/17 £16,750PA but peppercorn rent until 21/2/18. non rec			13,100						Property
Vacant Property - 32 Hamilton Terrace, L/Spa. New Lease from 1/12/17? £28,500PA. Assume first 18 months rent free			28,200	28,200	4,400				Property
Loss of Rent, vacant second floor offices Pageant House, Warwick and other leases ceased			20,800	21,200					Property
Rent Holiday Warwick Golf Centre	To enable tenant to invest in business		11,667	5,833					Property
Works for Vent next to Catalan not being done till next year now- no Budget £20k			5,000	15,000					Property
Election Costs in year	net of those built into Reserve Funding				30,000				Strategic Leadership
Chief Executive salaries	per salary estimates	-700							Strategic Leadership
Electoral registration salaries	per salary estimates	-300							Strategic Leadership
Committee Services salaries bottom of scp	per salary estimates	-2,800							Strategic Leadership
Media room salaries bottom of scp	per salary estimates	-5,200							Strategic Leadership
Web Service Salaries	per salary estimates	-100							Strategic Leadership
CST salaries	per salary estimates	-3,100							Strategic Leadership

Description	Narrative	2017/18 £	2017/18 Latest £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Portfolio
Equitrac Shortfall on Purchase of Software	followed by 4 years saving on Lease		9,400						Strategic Leadership
Revenue Budget Savings to contribute to low leases for Printing Devices			-3,000	-4,000	-4,000	-4,000	-4,000	-1,000	Strategic Leadership
Printing Devices, Revenue Lease Costs net of Equipment Renewal Funding			8,923	8,923	8,923				Strategic Leadership
Joint post contribution with Stratford Data protection officer (Contingency Budget) slippage over next 2 years	Slippage over 2018/19 and 19/20		-30,000						Strategic Leadership
HR salaries			-200	8,200					Strategic Leadership
media room software costs savings in future years									
clicks			13,000						Strategic Leadership
Electoral registration electoral management system contract saving			-1,700	-1,000					Strategic Leadership
Asset Management Standby Buy-out			11,600						Strategic Leadership
Street name & numbering income			-10,000						Strategic Leadership
Finance shared legal services & Chief Executive legal services (net)			-7,500						Strategic Leadership
Harbury Lane	To be transferred to new Reserve		-83,800						Strategic Leadership
Project Manager (Office Relocation) 3 month extension				8,400					Strategic Leadership
WW1 Commemorations				10,500					Strategic Leadership
Contingency Budget	Surpluses February 2018			125,000					
Total Non-Recurrent Developments		385,088	-499,202	707,943	-579,802	-906,744	-1,240,156	-1,215,291	

Development Description	Narrative	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Portfolio
		£	Latest £ CHANGES ONLY						
Car Mileage Lump Sum Buy out - Service Trans Reserve	Service Transformation Reserve	82,900	-7,100						Corporate
Project Officer Nov-16 to Oct-17 part-funding	STR	18,100							Corporate
Advertising and Sponsorship	STR		13,000						Corporate
Bridge over River Avon	Community Projects Reserve		60,000						Corporate
Works to prevent illegal encampments	March 2017 Exec Repot		143,800						Corporate
Works to prevent illegal encampments (HRA Land & budget saving									Corporate
Europa Way Phase 2	Community Projects Reserve		95,000	95,000					Corporate
Earmarked Reserves	2016/17 Final Accounts		288,600						Corporate
Digital Transformation	Ear Marked Reserve			86,800					Corporate
To support Playbox Theatre in developing a business case to request a loan from WDC to make site improvements			3,000						Corporate
Insurance Claims	From Insurance Provision Reserve								Corporate
Office Move Slippage Duplicated	Service Transformation Reserve								Corporate
Other 2016/17 Slippage	Service Transformation Reserve		21,433						Corporate
	Funding from Service Transformation Reserve								
Leisure Options Approved November 2014 Executive		9,179							Culture
Leisure Option Project Manager & Officer funded from Leisure Reserve (balance from 2016/17)			8,700						Culture
Leisure Options Project Manager	EMR, STR and CIR	51,079							Culture
Leisure Centre Management Payment	upfront payment covers first 2 years		500,000	500,000					Culture
Art Gallery	Grants in Advance Reserve		32,100						Culture
Leisure Development Programme – Extension of Temporary Contracts	Leisure Reserve		4,600	46,900					Culture
St Nicholas Park Tennis Courts	Equipment Renewal Reserve								Culture
Women cycling tour	Service Transformation Reserve		20,000	30,000					Culture
New Tills at Spa Centre (ERR funded)			14,900						Culture
	5 year agreement (2015/16 funded from Revenue non, rec)	20,000		20,000	20,000				Development
Hill Close Gardens	From CIR, then Revenue future years	4,000		4,000	4,000	4,000			Development
Heritage Open Days									
Allocation from Planning Reserve (CE under emergency powers) Jury Street									
Extractor Fan Costs	1/6/17 Executive		18,144						Development
Local Plan Consultancy - Funded from Planning Appeals Reserve			38,000						Development
New Local Plan Inspection - Funded from Planning Appeals Reserve			40,000						Development
CIL Project Manager - Funded from Planning Appeals Reserve			19,800	10,200					Development
Service Transformation funding £1,200 purchase of 94-96 The Parade			1,200						Development
Temporary Assistant Conservation Officer from CIR (Underspend on Historic Building Grants)			23,300	11,700					Development
Newbold Comyn Business Plan Analysis	Service Transformation Reserve		2,800						Development
Kenilworth Development Brief (Local Plan Delivery Reserve) & Planning Officer			30,400	50,400	50,400	19,700			Development
Planning Officer September 2017			14,000	-1,500					Development
Stratford Road Site Valaution (Service Transformation Reserve)			1,200						Development

Development Description	Narrative	2017/18 Latest £		2018/19	2019/20	2020/21	2021/22	2022/23	Portfolio
		2017/18 £	CHANGES ONLY						
Building Control 2016/17 Slippage			5,000						Development
Valuation work for the Council's land at Stratford Road (STR)			1,200						Development
Contributions other Councils	Planning Gain Reserve		133,700						Development
Kenilworth Development Brief (Local Plan Delivery Reserve)			30,000						Development
Marketing Consultancy Per March 2016 Executive (£40,000) - £30,105 Slippage To 17/18			6,063	24,042					Development
Funding for CIL Manager from Planning Reserve overstated			-8,800	-10,200					Development
Self & Custom Build House Register (£15,000.00)	Revenue Contributions in Advance Reserve		16,000	28,500					Development
Local Plan Slippage			-8,000	8,000					Development
Building Control 2017/18 Slippage				25,542					Development
Building Control Salary Changes	Reserve Funded			-8,900					Development
Women's Cycle Tour	Service Transformation Reserve			30,000					Development
CIL Officer forward funded from Planning Reserve			8,000						Development
Temporary Posts Funded from Service Transformation Reserve	Finance	10,263	4,037						Finance
Procurement - Review of Staffing Requirements STR Funded			-10,600						Finance
Procurement Review	Service Transformation Reserve		15,000						Finance
Ggovernment Grants Received in Advance	Benefits Staff			8,500					Finance
									Health & Community
Community Forums	4 years Reserve Funded	40,000		30,783					Protection
									Health & Community
Health and Community Protection – Potential Redundancy	1/6/17 Executive		14,600						Protection
									Health & Community
Senior Environmental Officer	Service Transformation Reserve			18,000	18,000				Protection
									Health & Community
Contingency Officer	Service Transformation Reserve			5,500	5,500				Protection
Home Choice lettings development	RSL contributions - Advertising		34,880						Housing
Priority Families	Service Transformation Reserve		15,000	15,000	6,250				Housing
Grounds Maintenance	Commuted Sums Reserve	10,288		4,683	4,683	3,539	3,539	3,539	Neighbourhood
Millpool Meadows	Commuted Sums Reserve	5,945		5,945	5,945	5,945	5,945	5,945	Neighbourhood
Neighbourhood Services Redesign Green space Team Leader S106 Funded			13,326	43,284	45,000	45,000	45,000	45,000	Neighbourhood
3 year Fixed Term Green Space development Officer from Commuted sums Reserve	April 2015 Executive	38,778	-23,689						Neighbourhood
Grounds Maintenance (Gog Brook Farm) from Commuted sums Reserve		18,515		18,515	18,515	18,515	18,515	18,515	Neighbourhood
Temporary Car Parks Projects Manager - 2 years fixed contract	Service Transformation Reserve	42,200	600	46,000					Neighbourhood
Abbey Fields Footpath Improvements – Feasibility Study (Community Projects Reserve Funded)	1/6/17 Executive		55,000						Neighbourhood
Neighbourhood Services – Potential Redundancy Crematorium	1/6/17 Executive		900						Neighbourhood
CSC Project			7,000						Neighbourhood
Linen Street Revenue Improvements	CIR		4,300						Neighbourhood

Development Description	Narrative	2017/18		2018/19	2019/20	2020/21	2021/22	2022/23	Portfolio
		£	Latest £ CHANGES ONLY						
Car Parking R&M Reserve 2016/17 Slippage			352,780						Neighbourhood
Lost Income during Car Park refurbishments	Car Park Displacement Reserve				130,000	180,000			Neighbourhood
Lost Income during Car Park refurbishments	Covent Garden MSP Reserve				235,000	180,000			Neighbourhood
Temporary Project Manager and Property Maintenance Officer - GF Share		9,476	2,189						Property
Asset Management Plan from Capital Investment Reserve			40,000						Property
Corporate Asset Reserve TransferSlippage	Pump Rooms Roof		20,000						Property
									Strategic
Election costs	Elections Reserve				80,000				Leadership
									Strategic
ICT equipment reserve funded	Revised ICT Replacement Reserve Schedul	102,282	-1,040	101,242	101,242	115,540	118,692	118,692	Leadership
									Strategic
HR resources review from STR	December 2015 Executive	56,700							Leadership
Community Projects Reserve to fund Plink for Delivery Plan 2017/18 for St Marys Lands			34,000						Strategic
									Leadership
St Mary's Lands Racing Club Toilets from Community Projects Reserve	(may be repaid)		26,000						Strategic
									Leadership
CST scanning from STR			10,000						Strategic
New Printing Devices	Lease Revenue Costs								Leadership
New Printing Devices	Correction								Strategic Leadership
	Revenue Lease part funded from								Strategic Leadership
New Printing Devices	Equipment Renewal Reserve		2,000	2,000	2,000				Strategic Leadership
St Marys Lands landscaping from Community projects reserve			60,000						Strategic Leadership
Transforming our workplace consultants fees from transformation reserve			80,000						Strategic Leadership
Joint post contribution with Stratford Data protection officer	From Ear Marked Reserve			20,000	10,000				Strategic Leadership
Colour Copier Rental	Equipment Renewal Reserve		16,485	16,485	16,485	16,485	16,485	16,485	Strategic Leadership
IEP Slippage	Service Transformation Reserve		22,756						Strategic Leadership
Performance Management Review (STR)	April Executive		30,000	30,000					Strategic Leadership
Digital Transformation	Service Transformation Reserve		4,500						Strategic Leadership
Office relocation project STR slippage from 2016/17			86,100						Strategic Leadership
Capita Digital Transformation Cost Slippage To 17/18			4,498						Strategic Leadership
Avon Navigation Extension Scheme (WDC Contribution toFeasibility Study)									
	Community Projects Reserve		15,000						Strategic Leadership
Royal Naval Association Club from Community Projects Reserve			50,000						Strategic Leadership
Total for Year		519,705	2,555,662	1,316,421	753,020	588,724	208,176	208,176	

APPENDIX 5

Risks Influencing the Level of General Fund Balance

Risk Area	Provision
The possibility the Council overspends – risk increased with budgets reduced to reflect prior year underspends, reductions in “non-contractual” budgets.	£0.1 million
Economic cycle issues affect the budget – over and above what can be expected to be contained within routine monitoring procedures.	£0.15 million
Development control income adversely affected by planning policies and economic cycle.	£0.2 million
Costs of environmental prosecution or public enquiry. This is always a possibility and is difficult to forecast in terms of cost.	£0.1 million
Car parking income doesn’t achieve budget forecast.	£0.15 million
Uninsurable event – eg environmental or asbestos claim outside terms of insurance policies.	£0.15 million
Costs of potential planning appeals.	£0.2 million
Possible impacts of budget reductions by other public agencies on this council and the area of Warwick District.	£0.1 million
Reduction in Retained Business Rates	£0.25million
Cost arising from unanticipated risks	£0.1 million
Total	£1.5 million

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
General Fund Reserves			
Art Fund Reserve To fund major art purchases for the Art Gallery and Museum	Items to be financed from this reserve are charged to the Art Gallery and Museum Account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process. The reserve is "topped up" from public donations and any unspent balance on the Art Gallery and Museum purchases budget.	The Head of Cultural Services has delegated authority to make such purchases as necessary from the reserve subject to reporting the purchases retrospectively to the Executive. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure
Art Gallery Gift Reserve To provide finance for major Art Gallery and Museum purchases linked to the specific conditions imposed by the original gift of the money to the Council	Items to be financed from this reserve are charged to the Art Gallery and Museum Account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Cultural Services has delegated authority to make such purchases as necessary from this reserve subject to reporting retrospectively to the Executive. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	This reserve is reviewed during the final accounts process but as the reserve was created by a private donation and has conditions of use attached to it, levels and potential closure are not applicable
Biodiversity Reserve	Reserve established to hold developers contributions resulting from loss of habitat arising from their developments. These contributions are then used for biodiversity improvements offsite	The Head of Neighbourhood Services, in agreement with the Head of Finance, has delegated authority to spend from this reserve.	This reserve is reviewed during the final accounts process but as the reserve was created from S106 contributions which generally have conditions of use attached to them, levels and potential closure are not applicable
Building Control Reserve The fee earning part of the Building Control service should not make a loss over a rolling three year period. This reserve has been created to assist in this with annual surpluses being paid into it and any annual losses being funded from it. It also funds any improvements required in the service.	Annual surpluses/deficits are credited/debited to this reserve as necessary. If funding improvements e.g. IT, reserve makes the necessary contribution to either the General Fund or Capital Financing as appropriate.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Business Rate Retention Volatility Reserve	Reserve established to provide finance for "smoothing out" future retained Business Rate revenues.	Executive to approve usage.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Capital Investment Reserve To provide finance for the Council's General Fund capital programme not met by other resources e.g. capital receipts, RCCO, external contributions, other reserves.	This reserve provides the balancing figure for financing the Council's General Fund capital programme and the relevant amount is transferred to the Capital Adjustment Account as part of the final accounts process. Annual "repayments" in respect of recently financed schemes are made to the reserve from the General Fund.	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the Estimates and Final Accounts processes where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure. In addition the adequacy of the reserve is reviewed as part of the financial strategy and capital programme setting processes. Normal practice is to keep the level at around £1,000,000.

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
Car Parks Displacement Reserve	substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years. There will be some costs for arranging alternative parking arrangements, along with possible loss of income.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Car Parks Repairs and Maintenance Reserve	Reserve created from Car Parks revenue repairs and maintenance budget in order to provide resources for future years.	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Cemetery Land Purchase Reserve	To purchase land for cemetery extensions	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any variation to this figure will be formally agreed by the Executive either as part of the final accounts process or as part of the normal process of revising the General Fund Capital Programme. In addition the reserve is monitored by Finance on a regular basis to provide information for reviews of capital programme resources.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Commonwealth Games (Bowls) Reserve	To set aside funds towards funding the project in future years.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Community Forums Reserve	To provide finance for the annual programme of Community Forum Grants	February 2013 Executive approved 4 year programme 2014/15 to 2017/18.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Community Projects Reserve	Reserve created from 2017/18 New Homes Bonus to provide finance for various District wide community projects.	Approval for project spend will be way of reports to the Executive.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Commuted Sums Reserve Commuted Sums are received from developers in respect of the adoption of public open space or other facilities to be maintained at the Council's expense.	Credits are made annually to the General Fund based on (usually) 1/13 of the capital sum starting from the year in which the maintenance of the facility begins. This date notified by the relevant Service Area.	The General Fund Estimates and its financing is approved by the Executive. This sets the contribution to/from this reserve. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The balance on this reserve is dictated by receipts from developers.
Corporate Assets Reserve(name change from Sports & Culture Facility Reserve)	To provide finance for refurbishment of facilities following the Stock Condition Survey	Approvals from the reserve have been delegated to SAG and the Section 151 Officer in consultation with the portfolio holders for Housing & Property Services and Finance	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
Covent Garden Multi Storey Reserve	To provide finance to cover lost income and 1st years debt charges when the car park is redeveloped	Authority to spend is delegated to the Head of Finance in line with the actual lost net income and debt charges. Executive to be informed upon the use of the reserve and balance thereof.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Election Expenses Reserve To provide finance to fund the expense incurred in holding the District Council elections every four years.	The cost of the election is charged to a service account and a contribution from this reserve is credited to the General Fund from this reserve as part of the final accounts process. In the years where no election is held an annual contribution of £30,000 is made to the reserve..	The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Energy Management Reserve To provide finance for the Council's energy saving schemes within its General Fund and Housing Revenue Account properties	Energy Management Schemes undertaken by Property are charged to the relevant service account during the year. The total cost is notified to Finance and the comparable amount is credited to the General Fund or Housing Revenue Account from this reserve as part of the final accounts process. Annual contributions are made into the Reserve as repayments for schemes previously financed.	The Head of Housing and Property Services has delegated authority to spend up to £50,000 on any one scheme from this reserve. Schemes above this level require the approval of the Executive. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Enterprise Projects Reserve	Reserve is used to smooth surpluses/deficits	Transfers to and from this reserve will be approved by the Executive as part of the Budget and Final Accounts processes, with delegations over usage agreed by Executive August 2017 to the Head of Development Services up to £20k..	Reserve reviewed by Finance as part of Estimates and closedown procedures.
Equipment Renewal Reserve To finance a rolling programme of equipment and property replacement and renewal.	Revenue Items to be financed from this reserve are charged to the Service Accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Items proposed to be financed from this reserve should first be approved by Executive to be included within the ERR Schedule. Use of reserve is subsequently controlled by SMT who consider the Business Case seeking release of funding from the reserve, and may approve if appropriate followed by approval from Chief Executive and relevant portfolio holders. The standard Business case template to be used for SMT's consideration was presented and approved by the September 2011 Executive.	Reserve reviewed as part of Estimates and closedown procedures. Balance increased on basis of Executive approval. Based on the current programme It is anticipated that the reserve will be extinguished by the end of 2018/19.
General Fund Early Retirement Reserve To provide finance to cover the one off pension costs to the General Fund as a result of the early retirement of Officers and to provide finance to cover redundancy costs to the General Fund.	Items to be financed from this reserve are charged to the Service Accounts during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Gym Equipment Reserve To provide finance for the replacement of the Gym Equipment within the Council's Leisure Centres	Suitable schemes are identified and included within the capital programme. The relevant amount from this reserve is then utilised to finance them. Current practice is to credit the reserve with £30,000 per annum. However, as a result of the Leisure Centres Options project this will cease from 2016/17 onwards.	The Head of Cultural Services, in conjunction with the S151 Officer and Cultural Services Portfolio Holder, has delegated authority to approve future expenditure from this reserve. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer essentially three times a year a) when the Financial Strategy is updated b) at budget setting and c) final accounts where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure. In addition the adequacy of the reserve is taken into account when revising the capital programme.

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
Harbury Lane Reserve	A reserve has been created over a number of years to fund this project; of which £84,000 is unspent in the 2017/18 budget. These monies will be transferred to the proposed Harbury Lane Reserve towards future funding requirements.	The use of this reserve will be agreed by the Chief Executive in consultation with the Leader.	The level and continued requirement of this reserve will be reviewed by finance in conjunction with the Chief executive and the leader.
Hill Close Gardens Reserve	This reserve will be used to help fund maintenance of Hill Close Gardens.	£20,000 per annum will be credited to the Income & Expenditure account as part of the Council's budget setting process.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure
Homelessness Prevention Reserve	In March 2017, the Government announced that this Council would receive Flexible Homelessness Support Grant £275,000 in 2017/18 and £340,500 in 2018/19 towards Homelessness Prevention.	It is recommended that the Head of Housing Services has delegated authority to draw down from the Reserve in conjunction with the Service Portfolio Holder, Head of Finance and Finance Portfolio Holder.	This money is ring-fenced to prevent or deal with homelessness with the funding being allocated to the reserve until Council has determined how this money will be spent.
ICT Replacement Reserve To provide finance for the Council's ICT Replacement programme	This reserve has been established in order to provide certainty of finance for the Council's ICT replacement programme.	The ICT Services Manager has delegated authority to spend from this reserve in consultation with the Head of Finance and relevant Portfolio Holders	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer and ICT Manager essentially three times a year a) when the Financial Strategy is updated b) at budget setting and c) final accounts where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure. In addition the adequacy of the reserve is taken into account when revising the capital programme.
Insurance Reserve To provide finance to cover the Council's self insurance against potential claims and to pay for security improvements to the Council's General Fund properties. The reserve also holds sufficient funds to cover any potential claim with regard to the Municipal Mutual Insurance "clawback" re previous claims settled.	Self insurance claims and Security Improvements are charged to the service accounts and the comparable amount is credited to the General Fund from this reserve as part of the final accounts process.	The Insurance Officer has authority to spend up to £15,000 (£1,000 per project) in any one year on security improvements. Items above these thresholds have to be authorised by the Head of Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Investment Volatility Reserve	Set up to capture a portion of the gain on corporate equity funds to be used to smooth possible future fluctuations	Authority to spend from this reserve is delegated to the Head of Finance.	The use of this reserve will be included within future Budget reports to be agreed by the Executive
Leisure Options Reserve	This reserve has been established to cover such items as the reduction in income whilst the Leisure Centre refurbishment programme is under way and also the first year and a half's debt charges arising from the prudential borrowing for this project. The reserve will also fund the re-profiling of the contractor concessions arising from the outsourcing of the Leisure Centres operation.	Authority to spend from this reserve is delegated to the Head of Finance in line with the actual lost income and debt charges incurred..	The continuing need for the reserve will be reviewed by Finance in conjunction with the S151 Officer and Head of Cultural Services, and depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
Local Plan Delivery Reserve	The reserve is used for items of work required to help the implementation of the Local Plan. This would include detailed work on a specific proposal to help turn it from a proposal to reality.	Approval to spend from this reserve is delegated to the Chief Executive, Head of Finance and Head of Development Services in consultation with the Deputy Leader (Responsible for the Local Plan) and all group leaders.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Planning Investment Reserve	Creation of a reserve into which the 20% uplift in planning fees will be allocated.	To be apportioned by the Head of Finance.	The level and continuing need for the reserve is reviewed by Finance followed by a recommendation to the Executive can include increasing/decreasing the balance or complete closure
Planning Reserve Originally created to provide finance to cover the costs incurred by the Council with regard to appeals against its planning decisions. The Reserve also now pays for issues relating to planning policy, for example the costs associated with the Local Plan, and associated research.	Items to be financed from this reserve are charged to the Planning Service Account during the year and notified to Finance. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Public Amenity Reserve	To provide finance for play area and public open space improvements	The General Fund capital programme and its financing is approved by the Executive. This sets the contribution from this reserve. Any further upward variation in the contribution would have to be approved by the Executive either as part of a report on the particular scheme in question or as part of a revision of the capital programme during the budget monitoring process. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Public Open Spaces Planning Gain Reserve	Expenditure from this reserve will be charged to Service Accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	The Head of Neighbourhood Services, in agreement with the Head of Finance, has delegated authority to spend from this reserve.	This reserve is reviewed during the final accounts process but as the reserve was created from S106 contributions which generally have conditions of use attached to them, levels and potential closure are not applicable
Rent Bond Scheme Reserve	Reserve established to assist households who are homeless, threatened with homelessness or in housing need by guaranteeing one month's rent to the landlord.	Authority to spend from this reserve is delegated to the Head of Housing and Property Services.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Right to Bid Reserve	To provide finance to help meet compensation claims arising from the Council listing properties as Community Assets.	Executive to approve usage.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Right to Challenge Reserve	To provide finance to assist in dealing with bids from local communities etc. to take over running services from the Council.	Executive to approve usage.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.

Name of Reserve & Purpose	Use of Reserve/Balance	Management and Control	Review Mechanism
Riverside House Maintenance Reserve	This reserve will be used to fund backlog maintenance on Riverside House.	Approval to spend from this reserve is delegated to the Heads of Housing and Property and Finance in consultation with the relevant portfolio holders.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure. It is expected that this reserve will be liquidated during 2016/17.
Services Transformation Reserve	Reserve created to enable services to continue to be provided pending delivery of required savings and to finance "Fit for the Future" schemes so as to help the Council secure the savings needed in its medium term financial strategy.	The responsibility for the authorisation of expenditure from this reserve up to a maximum cost of £20,000 for any individual item of expenditure is delegated to the Change Programme's Senior Responsible Officer (the Chief Executive) in consultation with the S.151 Officer. Expenditure above £20,000 will be approved by the Executive.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Tourism Reserve To provide finance for initiatives relating to the Council's on-going promotion of tourism	Items to be financed from this reserve are charged to the Service Accounts during the year. An appropriate amount is then transferred to the General Fund as part of the final accounts process.	Authority to spend delegated to Deputy Chief Executive in consultation with the Development Services Portfolio Holder, Finance Portfolio Holder and S 151 Officer.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure.
Housing Revenue Account			
Housing Revenue Account To provide a contingency reserve to protect the Housing Revenue Account against any unexpected, adverse, revenue or capital cash flows arising during the year.	The balance will be applied as necessary to finance housing landlord revenue or capital budget variations.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan . The Self Financing Business Plan is based on maintaining a minimum £1.25m balance.
HRA Early Retirement Reserve To provide finance to cover the pension one off costs to the Housing Revenue Account as a result of the early retirement of Housing Service Officers and to provide finance to cover redundancy costs properly chargeable to the Housing Revenue Account.	Items to be financed from this reserve are charged to the Housing Revenue Account during the year and notified to Finance. An appropriate amount is then transferred to the Housing Revenue Account as part of the final accounts process.	Approval for expenditure to be met from this reserve is subject to a report to the Executive which previously has been agreed with Finance. The movements in and out of the reserve are monitored against the approved or expected pattern by Finance at least three times a year.	The level and continuing need for the reserve is reviewed by Finance in conjunction with the S151 Officer during the final accounts process where depending on the need, a recommendation to the Executive can include increasing/decreasing the balance or complete closure
Housing Capital Investment Reserve To provide finance for new build projects.	To provide finance for new build projects.	The budgets which affect the balance are monitored during the year by Finance and Housing with the effect on the balance being taken into account in future years' projections to ensure the balance conforms to minimum acceptable requirements within the Self Financing Business Plan in order to achieve the required number of new build homes.	The adequacy of the balance is assessed as part of reviewing the Self Financing Business Plan .
Major Repairs Reserve To provide funding for major capital works to the Council's housing stock	The relevant amount required to finance the Housing Revenue Account capital programme is transferred to the Capital Adjustment Account as part of the final accounts process.	The contribution made from this reserve towards capital expenditure is dictated by the developing needs of the HRA Self Financing Business Plan and will be reviewed as part of the formal Business Plan governance process.	The operation of this reserve will be reviewed as part of the ongoing monitoring of the Self Financing Business Plan..

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	Latest £'000	£'000	£'000	£'000	£'000	£'000
Net Cost Of General Fund Services	17,914	20,869	22,070	21,007	20,975	22,064	22,330
Investment Interest	-262	-314	-461	-592	-742	-809	-809
New Homes Bonus-unallocated Balance							
Other Financing Adjustments	-2,793	-5,699	-2,867	-6,392	-7,397	-7,006	-6,924
Net Expenditure after adjustments	14,859	14,856	18,742	14,024	12,837	14,250	14,598
Revenue Support Grant	-804	-802	-311				
NNDR (Business Rate Retention, including SBR grant)	-3,829	-3,798	-7,277	-4,308	-3,199	-3,291	-3,386
NNDR (Business Rate Retention, including SBR grant)							
Collection Fund Balance	20	20					
New Homes Bonus Earmarked for CVS Contracts							
New Homes Bonus	-1,938	-1,938	-2,482				
Other Grants and Government Funding	-40	-70	-30	-15			
Amount being from Council Tax	-8,268	-8,268	-8,642	-9,094	-9,557	-10,029	-10,513
Band D Equivalent	£156.86	£156.86	£161.86	£166.86	£171.86	£176.86	£181.86
% increase on previous year	3.31%	3.31%	3.19%	3.08%	3.01%	2.91%	2.83%
Net Expenditure after adjustments	14,859	14,856	18,742	14,024	12,837	14,250	14,598
Total Grant and Council Tax Income	-14,859	-14,856	-18,742	-13,417	-12,756	-13,321	-13,899
Deficit-Savings Required(+)/Surplus(-) future years		0		607	81	929	699
Change on previous year				607	-526	848	-230
Current Year Surplus(-) Deficit (+)		0					

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 6b

Reserve	Use of Reserve 2017/18 to 2021/22	Estimated Balance 1/4/2017 £000	Estimated Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000
EARMARKED RESERVES							
Art Fund Reserve	No expenditure is currently projected from this reserve and it is estimated that £1k in public donations will be received in each year.	71	72	73	74	75	76
Art Gallery Gift Reserve	Currently there is no expenditure to be met from this reserve.	57	57	57	57	57	57
Building Control Reserve	Agreed expenditure is to fund marketing consultancy and scanning of paper files. Changes to building control salaries has contributed to the balance on the reserve.	229	218	203	203	203	203
Business Rate Retention Volatility Reserve	Reserve set up to "smooth" receipt of business rate income	445	138	3,207	3,695	2,998	2,319
Capital Investment Reserve	£807k RTB funding has been made available to cover capital (as oppose revenue) expenditure, this fully funds capital expenditure in 17/18 and 18/19 and funds £1k of the capital spend in 19/20, the remaining capital spend to be funded is the £150k Rural & Urban Initiatives in 19/20 and beyond. Revenue movements include Linen St Car Park improvements, Heritage Open Day funding, transfers to Leisure Options Reserve until contractor payments commence, development of Asset Management programme of disposals and acquisitions and salary costs of Leisure Services Programme Managerstaff and temp Conservation Officer. Transfers to the reserve are for the payback of financing wheelie bins and cremators, footpath diversion fee, Rural & Urban Initiatives funding and 17/18 budget surplus.	1,833	1,470	1,149	1,299	1,299	1,337
Car Park Displacement Reserve	substantial work is required to be carried out in respect of some of the Council's car parks in forthcoming years. There will be some costs for arranging alternative parking arrangements, along with possible loss of income	0	100	130	0	0	0
Car Parking Repairs and Maintenance Reserve	Reserve created in order to provide resources for future years repairs and maintenance programmes.	790	470	508	546	584	622
Cemetery Land Purchase Reserve	Reserve established to provide finance for the purchase of land for cemetery extensions. Currently no such purchases are included in the General Fund Capital Programme. Contributions to the reserve will be provided for by a surcharge imposed on out of area burial fees.	3	3	3	3	3	3
Commonwealth Games (Bowls) Reserve	To set aside funds towards funding the project in future years.	0	0	100	100	100	100
Community Forums Reserve	Reserve created from 2013/14 New Homes Bonus to provide finance for the Community Forum Grants from 2014/15 to 2017/18, £31k slipped to 2018/19.	71	31	0	0	0	0
Community Projects Reserve	Reserve created from 2017/18 and 2018/19 New Homes Bonus to provide finance for various District wide community projects.	0	141	1,447	1,447	1,447	1,447
Corporate Assets Reserve	Reserve created from 2012/13 budget surplus to provide finance for refurbishing facilities following the Stock Condition Survey.	2,379	2,359	2,359	2,359	2,359	2,359

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES**APPENDIX 6b**

Reserve	Use of Reserve 2017/18 to 2021/22	Estimated Balance 1/4/2017 £000	Estimated Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000
Covent Garden Multi Storey Reserve	Reserve created from 2015/16 budget surplus to subsidise the lost car park income from Covent Garden MSCP until rebuilt following expected demolition as part of the New Offices project. The reserve will also cover the initial debt financing costs on borrowing to be taken out to finance the rebuild.	900	900	900	665	485	485

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 6b

Reserve	Use of Reserve 2017/18 to 2021/22	Estimated Balance 1/4/2017 £000	Estimated Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000
Election Expenses Reserve	£30k per annum will be credited to the reserve to help defray the costs of the May 2019 election.	45	75	105	25	55	85
Energy Management Reserve	The final contributions back to the reserve in respect of Linen Street MSCP lighting improvements will be made in 2017/18 when the scheme will be fully paid back.	109	112	112	112	112	112
Enterprise Projects Reserve	Reserve set up to "smooth" future years surplus/deficits, currently only contributions to the reserve are forecast	82	106	130	153	177	201
Equipment Renewal Reserve	Projects will be approved by SMT, Chief Executive and relevant Portfolio Holders prior to going ahead. The reserve will receive top ups of £100k per annum in 2019/20, 2020/21 and 2021/22 and is being used to support a number of projects details in a separate appendix.	782	664	627	690	755	819
General Fund Early Retirements Reserve	The reserve will receive a top up of £200k from the New Homes Bonus and projected budget surplus in 2017/18. It will be used to fund civil contingencies officer and crematorium weekend assistant costs.	33	218	218	218	218	218
Harbury Lane Reserve	A reserve has been created over a number of years to fund this project; of which £84,000 is unspent in the 2017/18 budget. These monies will be transferred to the proposed Harbury Lane Reserve towards future funding requirements.	0	84	84	84	84	84
Hill Close Gardens Reserve	Reserve created from 15/16 New Homes Bonus and will be used to make payments to the Hill Close Gardens Trust for ongoing expenditure until exhausted.	60	40	20	0	0	0
Homelessness Prevention Reserve	In March 2017, the Government announced that this Council would receive Flexible Homelessness Support Grant £275,000 in 2017/18 and £340,500 in 2018/19 towards Homelessness Prevention	0	275	576	576	576	576
ICT Replacement Reserve	This reserve is to provide for planned ICT replacements.	507	351	100	100	85	-35
Insurance Reserve	This reserve will be used to cover self insurance against claims and to provide finance for security improvements as and when they arise.	292	292	292	292	292	292
Investment Volatility Reserve	Set up to capture a portion of the gain on corporate equity funds to be used to smooth possible future fluctuations	0	100	100	100	100	100
Leisure Options Reserve	This reserve will be used to cover the lost income and make a contribution towards the initial debt charges arising from the Leisure Centre refurbishment programme.	2,057	1,566	419	419	419	419

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES

APPENDIX 6b

Reserve	Use of Reserve 2017/18 to 2021/22	Estimated Balance 1/4/2017 £000	Estimated Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000
Local Plan Delivery Reserve		149	149	149	149	149	149
Other Commuted Sums Reserve	This will fund green spaces development officer and team leader posts.	548	485	412	338	265	192
Planning Appeal Reserve	This is funding Jury St judicial review costs, additional allocation and consultancy for Local Plan, Kenilworth development brief and site development officer.	470	294	236	186	166	166
Public Amenity Reserve	This reserve will provide the finance for the play equipment capital programme.	539	469	469	469	469	469
Public Open Spaces Planning Gain Reserve	Reserve receives S106 Planning Development contributions for one -off improvement of Public Open Spaces.	958	679	425	425	425	425
Rent Bond Scheme Reserve	Reserve created to provide finance for guaranteeing 1 month's rent in order to assist households who are homeless, threatened with homelessness or in housing need.	22	22	22	22	22	22
Right to Bid Reserve	The 2011 Localism Act introduced a requirement for the Council to list community assets. Using grants provided by the DCLG, this reserve has been established to assist with any compensation claims arising from listing.	20	20	20	20	20	20
Right to Challenge Reserve	Reserve created from central government grant to assist in dealing with applications to take over the running of Council services.	26	26	26	26	26	26
Riverside House Maintenance Reserve	Reserve used to fund backlog maintenance on Riverside House in 2016/17.	30	30	30	30	30	30
Services Transformation Reserve	Various approvals for Fit for the Future experiments have been agreed from this reserve including funding for the new offices project, RSH scanning project, staff engagement activities, Prosperity Agenda research resource and engaging PAS, Regulatory Team ICT, individual electoral registration costs, Priority Families, Sports & Leisure Options, buy out of essential car user allowance, Capita Digital Transformation, advertising and sponsorship, women's cycle tour, Transforming our Workplace, performance management improvements, Newbold Comyn business plan analysis, Playbox Theatre business plan analysis, CSC project, additional Procurement Officer, Revenues Officer, two temp staff to assist the redesign of the Asset Management Team, team car parks project manager, additional hours for Senior HR and Learning & Development Officers.	1,223	682	416	409	409	409
Tourism Reserve	Reserve established to help fund tourism initiatives within the District e.g. Bowls Championships advertising.	39	39	39	39	39	39
Planning Investment Reserve	Creation of a reserve into which the 20% uplift in planning fees will be allocated.	0	0	0	0	0	0
GENERAL FUND TOTAL		14,769	12,737	15,163	15,330	14,503	13,826

GENERAL FUND AND HOUSING REVENUE ACCOUNT RESERVES AND BALANCES**APPENDIX 6b**

Reserve	Use of Reserve 2017/18 to 2021/22	Estimated Balance 1/4/2017 £000	Estimated Balance 1/4/2018 £000	Estimated Balance 1/4/2019 £000	Estimated Balance 1/4/2020 £000	Estimated Balance 1/4/2021 £000	Estimated Balance 1/4/2022 £000
BALANCES							
General Fund	A core balance of around £1.5m will be maintained as a contingency reserve.	1,599	1,499	1,499	1,499	1,499	1,499
HOUSING REVENUE ACCOUNT							
Housing Capital Investment Reserve	Under self financing, this reserve provides the finance for investment in new housing stock	22,932	27,547	32,116	36,686	41,255	45,824
Housing Early Retirements Reserve	Contributions of £8k in each year will be made.	22,932	27,316	31,584	36,457	41,467	46,503
Housing Revenue Account	To provide a contingency reserve to protect the Housing Revenue Account against adverse in year revenue or capital cash flows arising from unexpected major repairs etc.	1,400	1,425	1,454	1,483	1,512	1,543
Major Repairs Reserve	Under Self Financing this reserve provides the major element of funding for capital maintenance works to the Council's housing stock.	6,782	7,060	9,029	11,087	13,239	14,818
HOUSING REVENUE ACCOUNT TOTAL		54,046	63,347	74,183	85,713	97,473	108,688

ICT Replacement Schedule

Appendix 7

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	2022/23 £'000's	2023/24 £'000's	2024/25 £'000's	2025/26 £'000's	2026/27 £'000's	2027/28 £'000's	2028/29 £'000's
Microsoft Licences												
Microsoft Desktop Licences	73.9	73.9	73.9	86.8	86.8	86.8	102.0	102.0	102.0	119.9	119.9	119.9
Microsoft Server Licences	27.4	27.4	27.4	28.7	31.9	31.9	33.5	33.5	33.5	35.1	35.1	35.1
DataCentre												
ESX Servers (x 5)			40.0					40.0				
C Class (inc SAN Switch, Ethernet Switch)					30.0					33.0		
Fibre Switches (HP 24 Port)					15.0					17.5		
Storage Area Network (SAN)					125.0					130.0		
Backup Solution		80.0					80.0					
UPS				12.0					13.5			
Physical Server Replacement		20.0	15.0		25.0		20.0	15.0		25.0		20.0
Infrastructure (General)	12.5	12.5	13.5	13.5	13.5	13.5	14.5	14.5	14.5	15.0	15.0	15.0
Network												
Network Devices LAN (Core)	13.8					150.0					150.0	
Network Devices WAN (Remote Sites)						35.0					35.0	
CyberSecurity (Firewalls, IPS/IDS)						35.0					35.0	
Network General		12.5	13.5	13.5	13.5	13.5	14.5	14.5	14.5	15.0	15.0	15.0
Telephony												
VoIP Telephony	1.8			75.0					80.0			
Contact Centre				8.0					8.0			
Desktop												
Desktop Infrastructure	26.0	25.0	27.0	27.0	30.0	30.0	30.0	30.0	30.0	33.0	33.0	33.0
View Servers (x 5)			40.0					40.0				
Totals	155.4	251.3	250.3	264.5	370.7	395.7	294.5	289.5	296.0	423.5	438.0	238.0

Equipment Renewal Schedule February 2018

Appendix 8 - i

Portfolio	2017/18 £'000s	2018/19 £'000s	2019/20 £'000s	2020/21 £'000s	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2028/29 £'000s	Grand Total £'000s
Culture		571	65	95	110						841
Health and Community Protection - Environment		20			10	6		10	5		67
Strategic Leadership - CST		5								5	10
Strategic Leadership - Member Services		24	11				40				75
Strategic Leadership - Media Team					205						205
Strategic Leadership - Property Services	7	7									14
Grand Total	7	627	76	95	325	6	40	10	5	5	1,196

Equipment Renewal Schedule February 2018, by Year**Appendix 8(ii)**

Year and Description	£'000s
2017/18	7
Cad System	7
2018/19	627
B&K 2250 sound Level Meter/ Matron & calibrator(yellow)	10
3 Scanners for Individual electoral registration forms and postal vote application forms.	24
Cad System	7
Fujitsu fi-5750C scanner	5
Noise Equipment 2250 (Green) SLM	10
R.P.R. Ag&M - Local History Gallery Refurbishment (WDC assumed external match funding)	100
Replacement Carpet - St Nicholas Park LC All Weather Pitch	350
Town Hall chairs	40
Victoria Park Tennis Courts resurfacing	75
Hammer Cage Netting Edmondscote Track	6
2019/20	76
250 ballot boxes	11
Refurbishments of Abbey Fields Tennis Courts	65
2020/21	95
Beachamp Gardens Tennis Courts	55
digital projector	40
2022/23	325
B&K 2250 sound Level Meter/ Matron & calibrator(red)	10
Replacement sound desk and lighting - Spa Centre	110
MFDs (Multi Functional Devices), plus Colour Copier	205
2023/24	6
1 Monitor Labs 03 Monitor - MI9812	6
2024/25	40
150 packflat polling screens	40
2025/26	10
B&K 2250 sound Level Meter/ Matron & calibrator(blue)	10
2026/27	5
Portable Weather Station	5
2028/29	5
Fujitsu fi-5750C scanner	5
Grand Total	1,196

CAPITAL VARIATIONS**Appendix 9**

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	TOTAL £'000's
ORIGINAL BUDGETS PER 2017/18 BUDGET BOOK:						
Original General Fund Capital Budgets	12,228.3	891.7	350.5	425.5	Not	13,896.0
Original Housing Investment Programme	6,628.0	5,215.7	5,215.7	5,215.7	Published	22,275.1
TOTAL	18,856.3	6,107.4	5,566.2	5,641.2		36,171.1

ORIGINAL GENERAL FUND CAPITAL BUDGETS PER 2017/18 BUDGET BOOK	12,228.3	891.7	350.5	425.5	Not Published	13,896.0
Items slipped from 2016/17 and added to 2017/18 Budgets (see Final Accounts Report 2016/17 for detail on individual schemes - Approved by Executive 26/07/17)	2,821.6	N/A	N/A	N/A	N/A	2,821.6
Items brought forward from 2017/18 to 2016/17 (see Final Accounts Report 2016/17 for detail on individual schemes- Approved by Executive 26/07/17)	-23.7	N/A	N/A	N/A	N/A	-23.7
TOTAL adjustments arising from Final Accounts Report:	2,797.9	N/A	N/A	N/A	N/A	2,797.9

INCREASES TO SCHEMES:

St Nicholas Park Tennis Courts-previously approved from Equipment Renewal Reserve	2.5					2.5
Play Area Improvement Programme- Castle Farm Access financed from Section 106	1.1					1.1
Infrastructure Replacement			5.0			5.0
Leisure Centre Refurbishments- Approved Exec. August 2017	380.9	919.1				1,300.0
Leisure Centre Refurbishments- Additional works to Newbold Comyn Car Park lighting funded by Section 106		15.0				15.0
Whitnash Community Hub- Section 106	89.9					89.9
Spa Centre Operational Works- Approved Exec. August 2017	11.7					11.7
TOTAL Increase to Schemes:	486.1	934.1	5.0			1,425.2

NEW APPROVALS:

Transforming Our Workplace -Approved Exec. June 2017	71.0					71.0
Whitnash Community Hub-Approved Exec. June 2017	150.0	350.0				500.0
Desktop Infrastructure			5.0		30.0	35.0
Storage Area Network (SAN)					170.0	170.0
Network Devices LAN & WAN		12.5	13.5	13.5	13.5	53.0
Contact Centre				8.0		8.0
Infrastructure General					13.5	13.5
PA system in Council Chamber- previously approved Exec. Feb 2017	45.0					45.0
RSC Sound System-previously approved Nov 2017 from Equipment Renewal Reserve.	75.0					75.0
Physical Server Replacement		20.0	15.0		25.0	60.0
UPS				12.0		12.0
Rural & Urban Initiatives					150.0	150.0
Recycling & Refuse- approved Exec August 2017					80.0	80.0
Play Area Improvement Programme-future programme agreed with budget manager		500.8	62.1			562.9
Tach Brook Country Park-Approved Exec. Nov 2017		100.0				100.0
Norton Lindsey Community Hub-Approved Exec March 2017	38.5					38.5
Europa Way Purchase- Approved Exec. April & August 2017	3,619.5					3,619.5
Newbold Comyn Arms loan	140.0	210.0				350.0
Playbox Theatre loan		100.0				100.0
Stoneleigh Arms Public House Acquisition	710.0					710.0
Leamington Parking Displacement		770.0				770.0
Leisure Centre Benches, Cycle Racks etc.-financed from sale of gym equipment	16.8					16.8

CAPITAL VARIATIONS**Appendix 9**

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	TOTAL £'000's
TOTAL New Approvals:	4,865.8	2,063.3	95.6	33.5	482.0	7,540.2

CAPITAL VARIATIONS

Appendix 9

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	TOTAL £'000's
TOTAL General Fund New/Increases to Capital Approvals during 2017/18:	5,351.9	2,997.4	100.6	33.5	482.0	8,965.4

SLIPPAGE/BUDGET B/FWD - Changes to start dates or delays on projects mean that it is proposed to slip resources into future years/bring forward from future years - identified as part of budget review

Infrastructure Replacement			35.0	-35.0		-
Public Services Network Changes	-3.0	3.0				-
St John's Flood Alleviation	-100.0	100.0				-
Pump Rooms Gardens Restoration	-1,000.0	1,000.0				-
2nd Warwick Sea Scouts' Headquarters	-49.8	49.8				-
Castle Farm Sports Pitch Drainage	-73.0	73.0				-
TOTAL General Fund Capital Slippage identified during 2017/18:	-1,225.8	1,225.8	35.00	- 35.00	-	-

SCHEMES DELETED / REDUCED /SAVINGS:

Desktop Infrastructure	-10.0					-10.0
Voice of IP telephone system	-31.7					-31.7
Leamington Spa One Stop Shop		-318.2				-318.2
Play Area Improvement Programme- reprofiled	-81.1					-81.1
Wall Repairs	-133.9					-133.9
Recycling & Refuse Containers	-96.3	-45.0	-45.0	-45.0		-231.3
TOTAL General Fund Reductions / Savings:	-353.0	-363.2	-45.0	-45.0	-	-806.2

PROPOSED GENERAL FUND CAPITAL PROGRAMME FOR 2018/19 BUDGET BOOK:	18,799.2	4,751.8	441.1	379.0	482.0	24,853.1
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CAPITAL VARIATIONS

Appendix 9

	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	TOTAL £'000's
Original Housing Investment Programme (HIP) Budgets Per 2017/18 Budget Book	6,628.0	5,215.7	5,215.7	5,215.7	5,215.7	27,490.8

**Items slipped from 2016/17 and added to
2017/18 Budgets**

(Final Accounts Report 2016/17 for detail on individual schemes - Approved by Executive	350.8					350.8
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Total HIP Slippage Final Accounts 2017/18	350.8					350.8
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APPROVALS:

Fire safety in high-rise properties	1,250.0	1,250.0				2,500.0
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Increases To Schemes:**HRA Improvement/Renewal Works:**

Central Heating	57.7					57.7
Water Services	4.7					4.7
Structural Improvements	14.8					14.8
Improved Ventilation	0.2					0.2
Capital Salaries	2.8	8.1	13.6	16.4	19.2	60.1

**Private Sector Housing- 2020/21 budgets
removed**

Mandatory Disabled Facilities Grants- revenue budget. Service managed through HEART	144.2	233.3	233.3	233.3	233.3	1,077.4
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Total HIP Increases 2017/18	1,474.4	1,491.4	246.9	249.7	252.5	3,714.9
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Virements: Movements between budgets
determined by Responsible Budget Manager.

HRA related - Improvement/Renewal Works:

Aids & Adaptations	-100.0					
HRA DA Extensions	100.0					100.0

Total HIP Virements 2017/18						100.0
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Schemes Deleted / Reduced / Savings:

Sayer Court Overpayment upon completion of project	-638.3					-638.3
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HRA related - Improvement/Renewal Works:

Aids & Adaptations	-0.7					-0.7
Thermal Improvement Works-not required	-139.9					-139.9
Environmental Works	-87.0					-87.0

Total HIP Reductions / Savings	-865.9					-226.9
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Proposed Housing Investment Programme Budgets For 2018/19 Budget Book	7,587.3	6,707.1	5,462.6	5,465.4	5,468.2	31,429.6
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	Latest Budget 2017/18 £'000's	Proposed Expend. 2018/19 £'000's	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	TOTAL 2017/18 to 2021/22 £'000's
CAPITAL PROGRAMME SUMMARY						
Strategic Leadership & CWLEP	275.3	153.0	149.0	149.0	252.0	978.3
Health & Community Protection	240.0	450.0				690.0
Culture Portfolio	12,500.0	1,188.2				13,688.2
Finance Portfolio	126.3	150.0	150.0	150.0	150.0	726.3
Neighbourhood Portfolio	849.7	2,450.8	142.0	80.0	80.0	3,602.5
Development Portfolio	4,808.0	359.8				5,167.8
TOTAL GENERAL FUND CAPITAL PROGRAMME	18,799.3	4,751.8	441.0	379.0	482.0	24,853.1
STRATEGIC LEADERSHIP & CWLEP						
Desktop Infrastructure	26.3	25.0	67.0	27.0	30.0	175.3
Infrastructure Replacement			40.0			40.0
Infrastructure General	12.5	12.5	13.5	13.5	13.5	65.5
Backup Solution		80.0				80.0
Voice of IP telephone system	1.9			75.0		76.9
Storage Area Network (SAN)					170.0	170.0
Network Devices LAN & WAN	13.8	12.5	13.5	13.5	13.5	66.8
Contact Centre				8.0		8.0
Physical Server Replacement		20.0	15.0		25.0	60.0
UPS				12.0		12.0
Public Services Network Changes		3.0				3.0
Broadband UK	149.8					149.8
Transforming Our Workplace	71.0					71.0
	275.3	153.0	149.0	149.0	252.0	978.3
HEALTH & COMMUNITY PROTECTION						
St John's Flood Alleviation		100.0				100.0
Whitnash Community Hub	240.0	350.0				590.0
TOTAL HEALTH & COMMUNITY PROTECTION PORTFOLIO	240.0	450.0				690.0
CULTURE PORTFOLIO						
Castle Farm Sports Pitch Drainage		73.0				73.0
Leisure Refurbishments	12,348.5	1,115.2				13,463.7
Leisure Centre Benches, Cycle Racks etc.	16.8					16.8
Spa Centre Operational Works	11.7					11.7
St Nicholas Park Tennis Courts	3.0					3.0
PA system in Council Chamber	45.0					45.0
RSC Sound System	75.0					75.0
TOTAL CULTURE PORTFOLIO	12,500.0	1,188.2				13,688.2
FINANCE PORTFOLIO						
Rural & Urban Initiatives	126.3	150.0	150.0	150.0	150.0	726.3
TOTAL FINANCE PORTFOLIO	126.3	150.0	150.0	150.0	150.0	726.3
NEIGHBOURHOOD PORTFOLIO						
St Peter's Multi-storey car park structural work	120.0					120.0
Leamington Parking Displacement		770.0				770.0
Recycling & Refuse Containers- split with revenue?	80.0	80.0	80.0	80.0	80.0	400.0
Play Area Improvement Programme	470.3	500.8	62.0			1,033.1
Pump Rooms Gardens Restoration	179.4	1,000.0				1,179.4
Tach Brook Country Park		100.0				100.0
TOTAL NEIGHBOURHOOD PORTFOLIO	849.7	2,450.8	142.0	80.0	80.0	3,602.5
DEVELOPMENT PORTFOLIO						
2nd Warwick Sea Scouts' Headquarters		49.8				49.8
Acquisition of Spencer Yard premises	300.0					300.0
Norton Lindsey Community Hub	38.5					38.5
Newbold Comyn Arms loan	140.0	210.0				350.0
Playbox Theatre loan		100.0				100.0
Stoneleigh Arms Public House Acquisition	710.0					710.0
Europa Way Purchase	3,619.5					3,619.5
TOTAL DEVELOPMENT PORTFOLIO	4,808.0	359.8				5,167.8

Housing Investment Programme (HIP) 2017/18 to 2021/22

	Proposed Expend. 2017/18 £'000's	Proposed Expend. 2018/19 £'000's	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's
Housing Revenue Account (HRA) Related HIP Expenditure:					
Construction / Acquisition of Housing	201.9				
Improvement / Renewal Works	6,541.9	5,863.6	4,619.1	4,621.9	4,624.7
Total Housing Revenue Account Related HIP	6,743.8	5,863.6	4,619.1	4,621.9	4,624.7
Housing General Fund Related HIP Expenditure:					
Improvement Schemes (Private Sector Housing)	610.2	610.2	610.2	610.2	610.2
Total Housing General Fund Related HIP	610.2	610.2	610.2	610.2	610.2
Total Housing Investment Programme (HIP)	7,354.0	6,473.8	5,229.3	5,232.1	5,234.9
Housing Revenue Account Related HIP Expenditure:					
Construction / Acquisition of Housing:					
Redevelopment of Sayer Court site	-623.4				
Cloister Way House Purchases	825.3				
Total Construction / Acquisition of Housing	201.9				
Improvement / Renewal Works:					
Aids & Adaptations	641.3	647.1	647.1	647.1	647.1
Roof Coverings	147.7	147.7	147.7	147.7	147.7
Defective Flooring	56.6	56.6	56.6	56.6	56.6
Door Entry/Security/Safety Systems	141.4	141.4	141.4	141.4	141.4
Window/Door Replacement	373.4	373.4	373.4	373.4	373.4
Kitchen Fittings / Sanitaryware Replacement	808.1	808.1	808.1	808.1	808.1
Electrical Fitments / Rewiring	1,112.4	612.4	612.4	612.4	612.4
Central Heating Replacement	1,406.9	1,239.8	1,239.8	1,239.8	1,239.8
Water Services	13.7	9.1	9.1	9.1	9.1
Structural Improvements	34.5	19.7	19.7	19.7	19.7
Improved Ventilation	4.9	4.7	4.7	4.7	4.7
Thermal Improvement Works	1.8	141.3	141.3	141.3	141.3
Major Garage Works	44.9	24.6	24.6	24.6	24.6
Environmental Works	75.0	75.0	75.0	75.0	75.0
Environmental Works: Tenant Participation Projects	59.7	37.7	37.7	37.7	37.7
HRA DA Extensions	100.0				
Fire safety in high-rise properties	1,250.0	1,250.0			
Capital Salaries for Improvement / Renewal Works	269.6	275.0	280.5	283.3	286.1
Total Improvement / Renewal Works	6,541.9	5,863.6	4,619.1	4,621.9	4,624.7
Total Housing Revenue Account Related HIP	6,743.8	5,863.6	4,619.1	4,621.9	4,624.7
Housing General Fund Related HIP Expenditure:					
Private Sector Housing:					
<i>Administered by Housing & Property Services:</i>					
Private Sector Housing Grants & Loans:					
Discretionary Grants	50.0	50.0	50.0	50.0	50.0
Discretionary Loans	5.7	5.7	5.7	5.7	5.7
Minor Works:					
Care & Repair	10.0	10.0	10.0	10.0	10.0
Disabled Facilities Grants and Loans:					
Mandatory Disabled Facilities Grants	750.2	750.2	750.2	750.2	750.2
Discretionary Disabled Facilities Loans	11.4	11.4	11.4	11.4	11.4
Discretionary Disabled Facilities Grants	11.2	11.2	11.2	11.2	11.2
<i>Administered by Health & Community Protection:</i>					
Energy Efficiency Grants	5.0	5.0	5.0	5.0	5.0
Total Private Sector Housing	843.5	843.5	843.5	843.5	843.5
Total Housing General Fund Related HIP	843.5	843.5	843.5	843.5	843.5
Total Housing Investment Programme	7,587.3	6,707.1	5,462.6	5,465.4	5,468.2

Appendix 10 Part 3

General Fund Capital Programme Financing 2017/18 to 2021/22.

<u>Method</u>	<u>2017/18</u> <u>£'000's</u>	<u>2018/19</u> <u>£'000's</u>	<u>2019/20</u> <u>£'000's</u>	<u>2020/21</u> <u>£'000's</u>	<u>2021/22</u> <u>£'000's</u>	<u>TOTAL</u> <u>£'000's</u>
External Borrowing		10,216.0				10,216.0
Internal Borrowing	12414.5	-9,155.3	-137.0	-513.2	-698.1	1,911.0
Capital Receipts	2,509.8	323.0	150.0	150.0	39.0	3,171.8
External Contributions	2,361.6	1,088.5	137.0	513.2	698.1	4,798.3
Revenue Contributions to Capital Outlay	85.0	80.0	80.0	80.0	80.0	405.0
Service Transformation Reserve	264.1	49.8				314.0
Equipment Renewal Reserve	73.0	3.0				76.0
Public Amenity Reserve	225.2	251.3	60.8			537.3
Planning Public Open Space Reserve	363.1	249.4	1.3			613.7
Local Plan Delivery Reserve		66.0				66.0
Community Projects Reserve	188.5	350.0				538.5
Car Parks R & M Reserve	120.0					120.0
Parking Displacement Reserve		770.0				770.0
ICT Replacement Reserve	54.5	150.0	149.0	149.0	252.0	754.5
Capital Investment Reserve	140.0	310.0			111.0	561.0
Total General Fund Capital Funding	18,799.3	4,751.8	441.1	379.0	482.0	24,853.1

Housing Investment Programme (HIP) Financing 2017/18 to 2021/22

	Proposed Expend. 2017/18 £'000's	Proposed Expend. 2018/19 £'000's	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	Total £'000's
Housing Revenue Account (HRA) Related HIP:						
Capital Receipts: One for One replacement	247.6					247.6
Major Repairs Reserve	6,299.7	5,743.8	4,499.0	4,501.7	4,504.5	25,548.7
Capital Grant						
HRA Capital Investment Reserve	-45.7					-45.7
Housing Revenue Account (RCCO)	242.1	119.9	120.1	120.2	120.2	722.5
Housing Revenue Account Related HIP Financing	6,743.7	5,863.7	4,619.1	4,621.9	4,624.7	26,473.1
Housing General Fund Related HIP:						
Capital Receipts	43.3	43.3	44.1	93.3	93.3	317.3
Capital Grant	800.2	800.2	799.4	750.2	750.2	3,900.2
Housing General Fund Related HIP Financing	843.5	843.5	843.5	843.5	843.5	4,217.5
Overall Housing Investment Programme (HIP) Financing:						
Capital Receipts	43.3	43.3	44.1	93.3	93.3	317.3
Capital Receipts: One for One replacement	247.6					247.6
Major Repairs Reserve	6,299.7	5,743.8	4,499.0	4,501.7	4,504.5	25,548.7
Capital Grant	800.2	800.2	799.4	750.2	750.2	3,900.2
HRA Capital Investment Reserve	-45.7					-45.7
Housing Revenue Account (RCCO)	242.1	119.9	120.1	120.2	120.2	722.5
Total Housing Investment Programme Financing	7,587.2	6,707.2	5,462.6	5,465.4	5,468.2	30,690.6
Estimated Housing Investment Programme Resources at:-						
	31/3/2017 £'000's	31/3/2018 £'000's	31/3/2019 £'000's	31/3/2020 £'000's	31/3/2021 £'000's	31/3/2022 £'000's
Any Purpose Capital Receipts	5,167.3	6,053.3	6,952.2	7,928.1	7,928.1	8,904.0
Capital Receipts: One for One replacement		1,109.9	2,909.9	4,709.9	6,509.9	8,374.7
HRA Capital Investment Reserve	22,932.3	27,546.8	32,116.2	36,685.6	41,255.0	45,824.4
Major Repairs Reserve	6,781.6	6,852.4	7,571.9	9,630.2	11,781.3	13,360.4
S 106	1,110.8	1,110.8	1,110.8	1,110.8	1,110.8	1,002.0
Decent Homes Grant	361.6	311.6	261.6	211.6	161.6	111.6
Total	36,353.6	42,984.8	50,922.6	60,276.2	68,746.7	77,577.1

Capital Programme 2017/18 to 2021/22

	Proposed Expend. 2017/18 £'000's	Proposed Expend. 2018/19 £'000's	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	TOTAL 2017/18 to 2021/22 £'000's
Capital Summary						
Strategic Leadership & CWLEP Portfolio	275.3	153.0	149.0	149.0	252.0	978.3
Health & Community Protection Portfolio	240.0	450.0				690.0
Culture Portfolio	12,500.0	1,188.2				13,688.2
Finance Portfolio	126.3	150.0	150.0	150.0	150.0	726.3
Neighbourhood Portfolio	849.7	2,450.8	142.1	80.0	80.0	3,602.6
Development Portfolio	4,808.0	359.8				5,167.8
Total Capital Programme	18,799.3	4,751.8	441.1	379.0	482.0	24,853.2
Capital Resources Brought Forward						
Usable Capital receipts	338.0	415.0	189.0	39.0		
External Contributions Account	54.0	54.0	54.0	54.0	54.0	
Energy Management Reserve	109.0	112.0	112.0	112.0	112.0	
Capital Investment Reserve	1,833.0	1,470.0	1,149.0	1,299.0	1,299.0	
Public Amenity Reserve	539.0	469.0	469.0	469.0	469.0	
Equipment Renewal Reserve	782.0	664.0	627.0	690.0	755.0	
ICT Replacement Reserve	507.0	351.0	100.0	100.0	85.0	
	4,162.0	3,535.0	2,700.0	2,763.0	2,774.0	
Additions in Year to Resources						
Borrowing/Leasing	12,414.5	1,060.7	-137.0	-513.2	-698.0	12,127.0
Capital Receipts	1,799.8	323.0	1.0			2,123.8
External Contributions	2,361.6	1,088.6	137.0	513.0	698.0	4,798.2
Revenue Contributions to Capital Outlay	85.0	80.0	80.0	80.0	80.0	405.0
Capital Investment Reserve - Net increase			149.0	150.0	150.0	449.0
Other Reserves used for Capital Financing	1,288.5	1,119.5	211.1	149.0	252.0	3,020.1
Total Additions to Capital Resources in Year	17,949.4	3,671.8	441.1	378.8	482.0	22,923.1
Total Available Capital Resources	22,111.4	7,206.8	3,141.1	3,141.8	3,256.0	22,923.1
Less Capital Programme Expenditure as above	18,799.3	4,751.8	441.1	379.0	482.0	24,853.2
Capital Resources Carried Forward	3,312.1	2,455.0	2,700.0	2,762.8	2,774.0	-1,930.1

Nb It should be noted that the Equipment Reserve balance does not include potential funding of identified calls upon the reserve but which have yet to be approved. After these are taken into account there is a negative balance at the end of 2021/22 of circa

Capital Investment Reserve	1,337.0
Capital Receipts	
Energy Management Reserve	112.0
Equipment Renewal Reserve	819.0
Public Amenity Reserve	469.0
External Contributions	54.0
ICT Replacement Reserve	-35.0
Balance Carried Forward 2022/2	2,756.0

Warwick District Council Financial Strategy 2018/19-2022/23

1 INTRODUCTION

“Money” is one of 3 keys strands of the Council’s Fit for the Future Programme. The others are People and Services. This document supports the delivery of the Council’s services and the projects within the Programme, as well as supporting all Council Strategies to deliver its aims and objectives.

It considers the major funding issues facing the Council in the Medium Term (the next 5 years). Extending the Strategy beyond this period would rely on broad estimates and many uncertainties. It would not be prudent to base the Strategy a shorter period as risks and significant issues arising in the medium term could arise before the Council has developed means of managing these. Forecast future levels of Funding are projected alongside other known constraints and opportunities.

In drawing up a Medium Term Plan, the Strategy considers the constraints and opportunities facing the Council. The Council has a Code of Financial Practice and Code of Procurement Practice which underpin the Strategy.

Monthly Budget Review Reports are considered by the Senior Management Team, with Members of the Executive being updated on a quarterly basis. Alongside this, regular updated 5 year Financial Projections are included. Full Council receive the latest 5 Year Forecast alongside this Strategy within the Budget and Council Tax Reports presented in February of each year.

2. BACKGROUND

- 2.1 The Economic Background, as provided by Treasury Advisors, Link Asset Services – Their Report is reproduced as Annex 1.
- 2.2 Recent years have seen many changes to the nature of Funding Local Authorities receive from Central Government. The new Business Rate Retention Scheme was introduced from 1st April 2013. Whilst setting the NNDR Baseline, Government then allowed Council to retain a share of any growth above this Baseline. Similarly, should actual income received be below Baseline , there was a safety net whereby the Authority would receive a top up payment should actual Business Rates collected fall more than 7.5% below their Baseline. Alongside this, the proportion of Business Rates to revenue Support Grant has increased. The 4 year settlement announced in December 2015 and January 2016 show that by 2019/20 Revenue Support Grant will be zero, having reduced significantly over the next 3 years.(The Council’s other main income source is its local Council Tax Payers)

	2016/17 £'000'	2017/18 £'000's	2018/19 £'000's	2019/20 £'000's	2020/21 £'000's	2021/22 £'000's	2021/22 £'000's
Revenue Support Grant	1,597	793.6754	306.7363	0	0	0	0
Tariff Adjustment				-237	-237	-237	-237
Business Rate Retention	877	3,523	6,976	4,545	3,436	3,528	3,623
Total	2,473	4,317	7,283	4,308	3,199	3,291	3,386
Revenue Support Grant %	64.56%	18.39%	4.21%	0.00%	0.00%	0.00%	0.00%
Business Rates %	35.44%	81.61%	95.79%	100.00%	100.00%	100.00%	100.00%

- 2.3 The Government still propose to introduce a scheme to enable authorities to retain all the Business Rate Income they collect, as announced in the Autumn Statement of 2015. However, full details of the new proposals have yet to be published. The assumptions in the table above (2.2) are based upon existing arrangements until such information becomes available.
- 2.4 The Government announced that it intends to proceed with the expansion of the pilot programme for 100% business rates retention in 2018/19. Specifically the 2018/19 pilots are seen as an opportunity for the Government to test more technical aspects of the 100% business rates retention system, such as tier-splits and provide the opportunity to evaluate how collaboration between local authorities works in practice. The Warwickshire Authorities' bid to become a pilot was unsuccessful.
- 2.5 The Financial Strategy and projections have been updated in line with the 2018/19 Government Settlement Figures announced in December/January 2017/2018. The Council's Financial Strategy is based upon the 4 year Revenue Support Grant announced by the Government and its own Business Rates forecasts using the NNDR1 and NNDR3 returns and local intelligence, including support from "Analyse Local" independent Business Rates Consultants.
- 2.6 As referred to above, from 2013/14, the District Council retains 20% of any growth in business rates above the pre-determined Baseline. The Council's Baseline for 2018/19 is £3.316m. This is the amount the Council retains. If the actual amount collected varies to the Baseline, the Council will retain more or less income, working out at the Council retaining 20% of any increased revenues. Conversely, if there is any reduction in the new business rate receipts, the Council will bear 20% of this cost. There is a Safety Net whereby the Council will not be able to receive less than £3,067, this being within 7.5% of the Baseline retained income figure. However, this Authority has entered into Pooling arrangements. This means the Safety Net payment would be paid to the Pool rather than the actual authority falling into the Safety Net.

The Baseline is due to continue to be inflated annually originally until 2020 when there was due to be a “reset” of the system. However, in light of proposals for Authorities to retain all Business Rates collected, this may no longer be the case

The Council entered into a “pooling” arrangement with the other Warwickshire Councils. Under this arrangement the amounts due to be paid to Central Government under the Levy should greatly reduce, meaning more income will be retained locally. Whilst there are risks attached to pooling, especially if income should substantially decline, however, based on the latest projections, the Council should benefit from remaining in the pool in 2018/19.

- 2.7 The Council also receives Government Support by way of New Homes Bonus (NHB) for 2018/19 this is £2.482 million. A proportion of this is allocated to the Waterloo Housing Association as part of the WC Housing Joint Venture. NHB was previously funded on a 6 year rolling time limited basis. After consultation the Government reduced this to 5 years for 2017/18. For 2018/19 and subsequent years it has reduced to a 4 year rolling basis. To date the Council has not relied upon it for revenue support and has not had to use it to support recurring expenditure on core service provision. This prudence has proved wise so far, whilst allowing the Council to support new schemes and replenish its Reserves.
- 2.8 In total, the District had a 2017/18 Council Tax at Band D of £1,674.52. However, the District element (including parish precepts) is only £183.66. An increase to this Council’s share of £5.00 is proposed for 2018/19. The District element is just outside the lowest quarter nationally, with the District and Parish charge being well within the lowest national Quartile. The District and Parish charge remain the lowest of the 5 Warwickshire Authorities.
- 2.9 In March 2012 the Housing Revenue Account (HRA) borrowed £136.2m to make a one off ‘buy out’ payment when the Housing Subsidy system was replaced by ‘Self Financing’. This debt is serviced from HRA rental income, in place of the payments previously made to the National Housing Rent Pool under the Housing Subsidy system. A 50 year Business Plan is maintained to demonstrate the viability of the HRA and the capacity to invest in the service and provide new homes.
- 2.10 A ‘Prudential Framework’ for borrowing was introduced from 2004/05. Local authorities no longer have to obtain Government approval before borrowing. Control is by prudential limits based on the authority’s revenue resources. The Council can borrow if it can afford the revenue consequences.
- 2.11 The Council reviews its budgets on a monthly basis, amending these as changes are identified, rather than reporting upon variations and updating its current year’s budgets once at part of the following year’s budget setting process. The process will be constantly reviewed to identify further

efficiencies so that data can be produced in the most timely and accurate manner.

3. CORPORATE STRATEGY AND FIT FOR THE FUTURE PROGRAMME

3.1 The Council's Organisational Purpose being:

"Warwick District: a great place to live, work and visit".

3.2 During 2010, the Council adopted its Fit For the Future programme as its Corporate Strategy to provide an organisation framework to progress these objectives. As well as focusing on delivering quality services that its customers' need, the programme and subsequent updates have set challenging savings targets to be delivered. Achieving these will assist the Council in delivering its services in the future in light of uncertainty surrounding the economic climate, and future reductions in Central Government Support.

This programme needs to stay up to date and relevant in providing the strategic framework for the Council to meet the challenges it faces. Projects within the programme will be adjusted to reflect opportunities and challenges arising from Government initiatives and legislation as well as the Council's own Local Priorities.

These include-

In June 2018 Universal Credit will be rolled out to this Council. This Authority will retain responsibility for pensioners. New working age customers will be dealt with by the DWP. Existing working age customers will transfer as and when there are changes to their circumstances

The impact of Brexit on the economy and changes in legislation as Britain leaves the European Union is still uncertain.

In his Autumn Statement 2016, the Chancellor announced that the National Living Wage rise from £7.64 to £7.83 in April 2018.

3.3 As well as these initiatives, other major issues that will affect the Council's finances over this period are:

- (i) Monitoring the medium term financial forecast and this Council's progress in meeting its various savings initiatives.
- (ii) The impact of pressures to improve environmental sustainability. Alongside this, CO² emissions need to be reduced to meet the climate change agenda.
- (iii) Energy costs are extremely volatile.

- (iv) Major developments that may occur, such as, Chandos Street, Office (H.Q) Relocation, Europa Way and other potential strategic opportunities.
 - (vi) Major investment in multi storey car parks that will require structural renewal.
 - (vii) The Council completed condition surveys on its Corporate Assets. The Council continues to strive to ensure its Corporate Asset properties are maintained at a reasonable standard. So far it has been able to resources these costs. Funding for the full liabilities for the next five years of the plan have yet to be found.
 - (viii) The potential to work with partners and realising savings by pooling resources.
 - (ix) Capital receipts have reduced considerably and any for the future are extremely uncertain.
 - (x) The volatility of many of the Council's income budgets.
 - (xi) The rate of economic recovery and investment interest returns.
 - (xii) Trees throughout the district need replacing for which funding will need to be sought.
 - (xiii) Ongoing reviews on how the Council manages and delivers its services.
 - (xiv) Development of the Fit for the Future Programme and the Council's ability to adapt to change.
 - (xv) Efficient procurement to deliver quality services at minimum cost.
 - (xvi) Superannuation Fund and pensions changes further to the changes to the Local Government Pension Scheme introduced in April 2014. The pensions fund, in common with most others, continues to carry a projected deficit, although plans are in place to seek to ensure the fund is in surplus.
 - (xvii) In June 2016, the country voted to leave the European Union. The initial impact saw a reduction in interest rates and a drop in the pound against other currencies. The market has still not recovered from this initial reaction. The Council continues to monitor this situation and will amend its medium term financial forecasts to incorporate future changes including changes in legislation, such as VAT.
 - (xviii) Renewal of the Council's major contracts in 2021/22.
- 3.4 The Council will plan replacements and renewals of equipment (including ICT Resources), and repair and maintenance in a careful manner concentrating on the sustainability of services as a first priority. In addition the Council needs to continually review its reserves in the light of a very ambitious programme of change, and constant uncertain external pressures on the planning regime.
- 3.5 The Council continues to promote agile working, and this links to the asset management plan strategy of reducing office space needs.
- 3.6 On 18 November 2015 Members approved funding for work to progress to develop a £12 million investment plan for Newbold Comyn and St Nicholas Park Leisure Centres. From June 2017, the Council outsourced the

management of its Leisure Centres. A private contractor will be able to operate in a more cost efficient way, benefitting from Mandatory Rate Relief and achieving economies of scale from operating many Leisure Centres across the country. From 2019, this Council will receive an annual concession from the Operator. There is potential to receive more income from a "Profit Share" arrangement. In the interests of prudence, none of this has been factored into the Financial Forecasts.

4. FINANCIAL PRINCIPLES

4.1 The following are the principles (for both the General Fund and the Housing Revenue Account) that underpin the Financial Strategy:

- (i) Savings and developments will be based upon corporate priorities as set out in the Council's Fit for the Future programme.
- (ii) In order to achieve further savings the Council continues to explore all avenues including
 - Shared services and joint working
 - Outsourcing where other providers can deliver a minimum of the same standard of service more efficiently
 - Efficient Procurement
 - Benchmarking costs and understanding differences
 - Increasing fees and paying customers where there is spare capacity and Looking for opportunities to maximize income
 - Accessing grants to assist with corporate priorities
 - Controlling costs
 - Workforce planning
 - Improved more efficient technology
- (iii) The Council has ambitions to effectively manage its resources. In setting both its Council Tax and Housing Rents, the Council takes account of its budget requirement, the support it receives from Central Government, inflation and the affordability of its local tax-payers.
- (iv) The Council's base policy for Council house rent increases is currently to follow Central Government guidance. Any diversion from this policy will be requested in the annual Rent Setting report to Council, and reflected in the HRA Business Plan.
- (v) Whilst the Council will aim for Fees and Charges to be increased so that income is at least maintained in real terms, it will be mindful of the reality of the current economic conditions and its competitors. The Council is committed to making good use of the ability to raise funds through charges and put them to good use for the community.

- (vi) The Council still needs to develop its ability to benchmark all services across the Council.
- (vii) This Council takes a positive approach to partnership working, realising the following benefits: -
 - a) Levering in additional external funding.
 - b) Ensuring improved use of sites, whether or not in the ownership of the Council.
 - c) Ensuring the future sustainability of projects.
 - d) Sharing/Reducing costs
 - e) Strengthening the Resilience of the Service
- (viii) The Financial Strategy takes account of all revenue effects of the capital programme to ensure that the decisions taken are sustainable into the future.
- (ix) The Council will hold reserves for specific purposes, as to be agreed by Executive.
- (x) The Capital Investment Reserve shall be maintained with a minimum uncommitted balance of £1m.
- (xi) Any unplanned windfalls of income, whether service specific or more general, will be reported to the Executive who will prioritise how such income is used as part of setting future balanced budgets and meeting the Council's priorities.

5. PROCESS & MONITORING

Preparing budgets

- 5.1 The budget setting process is consistent with the service area planning process and the Fit for the Future Programme with recent years focusing on reductions in budgets and efficiencies.
- 5.2 When the Capital Programme is approved by Council the capital schemes will still be subject to individual approval on the basis of an evaluation and Business Case that needs to be agreed by Executive. .

Monitoring and managing budgets

- 5.4 Under the monthly "Budget Review" Process, Budgets are amended as soon as changes are identified. The Financial Code of Practice is regularly updated to incorporate any changes. The Financial Code of Practice was reviewed and updated in 2015 to reflect changes in this process and procurement practices.

- 5.5 Accountants work with Service Areas to identify budget variances and changes, these are reported to the Senior Management Team on a monthly basis. Regular reports are submitted for consideration by the Executive and Scrutiny Committees. The Council continues to review and refine its current processes, putting tighter controls in place to improve the quality and accuracy of the review process.

Consultation

- 5.6 The Council has a track record of consulting both partner organisations and the public this is an important contribution to assist identifying options and in learning lessons.
- 5.7 There is extensive consultation with partners on Fit For the Future, and the Sustainable Community Strategy.
- 5.8 The Council takes a strategic 5 year approach to determine how budgets are set and service prioritised.
- 5.9 The Council has a record of consulting where appropriate on the development of individual schemes.

6 ASSUMPTIONS

- 6.1 The following assumptions will be used in bringing forward proposals on the budget
- (i) Whilst The Council has built the indicative RSG settlements, announced as part of the four year settlement announced in January 2016, into its financial forecasts, its Business Rates forecasts are based upon its own local forecasts and out-turns.
 - (ii) Interest projections will continue to be based on the rates projected by Link Asset Services Treasury Solutions, the treasury management advisers.
 - (iii) No allowance for inflation has been applied to most budgets for 2018/19, from 2019/20 an annual increase of 2% increase is assumed. Where the Council is contractually bound to increase costs, Business Rates and uplifted fees and charges budgets will be increased.

7. HOUSING REVENUE ACCOUNT (HRA)

- 7.1 Housing Self Financing was implemented on 1st April 2012. A 50 year HRA Business Plan has been developed to ensure sufficient funds will be available to service the £136.2m debt taken out with the PWLB in order to 'buy' the Council out of the existing Housing Subsidy system, provide the necessary funding to maintain the stock and enable the building of new homes over the life of the Business Plan.
- 7.2 There is a requirement to follow Central Government National Housing Rent Policy when determining rents on HRA dwellings. With effect from April 2016, the rent charged by local authorities has had to be reduced by 1% per year for 4 years. When a new tenancy begins the Council can re-let at Target Social Rent, in time bringing all social housing rents in line with 2002 Convergence policy. From April 2020 social rents policy will change, allowing the rent charged to be increased by CPI + 1% each year. The council does have discretion over the setting of garage rents, Warwick Response charges and rents for HRA owned shops and commercial properties.
- 7.3 The Housing and Planning Act received Royal Assent in May 2016. It included a number of policy changes that in future could impact on the HRA Business Plan and potentially adversely affect its financial viability. These included the Right-to-Buy policy is to be extended to Housing Association properties, with the Local Housing Authority funding the discounts to tenants. The expectation is that this will be achieved through the sale of 'high value' properties as they become vacant, at the discretion of the Council. An expanded piloted is due to be conducted before further decisions on this policy are made.
- 7.4 It has been proposed that from April 2019, a new framework for Funded Supported Housing will be introduced. Core rent and service charges will be funded by Universal Credit up to the level of the local housing allowance.

8. REVENUE FORECASTS

- 8.1 Revenue forecasts will be drawn up in line with this strategy, and the strategy itself will be reviewed every year when the budget is set. The current forecasts are set out in the February 2018 Budget Report, which reported savings required as follows in order to keep future Council Tax increases to £5.00. (before the use of any one-off reserves or balances)

	2017/ 18 £'000	2017/ 18 Latest £'000	2018/ 19 £'000	2019/ 20 £'000	2020/ 21 £'000	2021/ 22 £'000	2022/ 23 £'000
Deficit-Savings Required(+)/Surpl us(-) future years	0	0	0	607	81	929	699
Change on previous year	0	0	0	607	-526	848	-230

These are indicative based on current assumptions, and assumes that savings are achieved and maintained.

9. ASSET RESOURCE BACKGROUND

- 9.1 Set out below is a summary of the Council's assets and its existing plans to use its resources to invest for the future.
- 9.2 The Council's assets as shown in the balance sheet as at 31st March 2017 are summarised below: -

	No	Value £'000
Operational Assets		
HRA		
Operational Land and Buildings	7,620	358,011
Surplus Assets/Work in Progress	2	4
Vehicles, Plant, Furniture and Equipment	-	237
General Fund		
Operational Land and Buildings	120	62,660
Surplus Assets/Work In Progress	8	3,415
Vehicles, Plant, Furniture and Equipment		1,880
Community Assets	-	6,721
Infrastructure	-	2,091
Heritage Assets	-	8,271
Total	7,750	443,290
Investment Properties	88	11,425

- 9.3 A summary of the proposed capital programme for the period to March 2021 is given below. This programme gives an indication of the level of the Council's available capital resources that are to be devoted to capital expenditure during this period.

	Latest Budget 2017/18 £'000's	Proposed Expend. 2018/19 £'000's	Proposed Expend. 2019/20 £'000's	Proposed Expend. 2020/21 £'000's	Proposed Expend. 2021/22 £'000's	TOTAL 2017/18 to 2021/22 £'000's
Strategic Leadership & CWLEP	275.3	153.0	149.0	149.0	252.0	978.3
Health & Community Protection	240.0	450.0	0.0	0.0	0.0	690.0
Culture Portfolio	12,500.0	1,188.2	0.0	0.0	0.0	13,688.2
Finance Portfolio	126.3	150.0	150.0	150.0	150.0	726.3
Neighbourhood Portfolio	849.7	1,680.8	142.0	80.0	80.0	2,832.5
Development Portfolio	3,958.0	49.8	0.0	0.0	0.0	4,007.8
Housing Investment	11,358.0	6,628.0	5,215.7	5,215.7	5,215.7	33,633.1
Total Capital Programme	17,949.3	3,671.8	441.0	379.0	482.0	22,923.1

10. CAPITAL PRIORITIES

10.1 The main focus of the programme is:

- Realising local aspirations as expressed within the Corporate Strategy (which incorporates the Community Plan and the Council's Resource Strategies) and it's Fit for the Future Programme;
- Maintaining, and where possible enhancing, the condition of the Council's existing assets so as to reduce future maintenance liabilities and to encourage their effective use. Where appropriate this will include working in partnership with others such as the County Council on the customer Access Project.
- Supporting capital schemes that provide revenue savings to the Council, in particular supporting investment in Information and Communication Technology so as to modernise activities and release resources for other purposes.
- Achieving regeneration and economic vitality in our main population centres.

10.2 Key particular projects that link to the corporate strategy are: -

- Enabling developments across the district that improve the environment such as Europa Way, and the improvement of Leamington Old Town.
- To continue to maintain the Government's "decent homes" standard.
- To increase the number of affordable houses in the district.
- Relocation of the Council's main office to a more efficient and cost effective building
- Enhanced Leisure Facilities

11. FINANCING THE CAPITAL STRATEGY

11.1 The Capital Strategy needs to have regard to the financial resources available to fund it. The main sources of funding are detailed below: -

- Capital Receipts – primarily resulting from the sale of the Council's assets. This income is lumpy and limited, although there are still schemes being considered that could realise further capital receipts.
- The Council is required to sell homes to eligible tenants at a significant discount under the right-to buy (RTB). The proportion of such receipts are taken by the Treasury; with the balance retained by the Council, some having to be to provide for new dwellings and the remainder the Council having flexibility over its use.
- Capital Contributions – including contributions from developers (often under Section 106 Planning Agreements and in the future, from the Community Infrastructure Levy as well) and grants towards specific schemes.
- Use of Council's own resources – either by revenue contributions to capital, or use of earmarked reserves.
- Borrowing – the Council has freedom to borrow under the Prudential System provided it can demonstrate that it has the resource to service the debt.
- Leasing – the Council now requires that, where appropriate, an options appraisal is undertaken in order to identify the most efficient source of financing capital purchases. In certain cases this may take the form of either a finance or operating lease.

12. REVIEW

- 12.1 This strategy will be subject to annual review to ensure that changes are included and that development issues have been implemented. It has been reviewed in the light of the Fit for the Future programme.

13. RISKS

- 13.1 Previous years have demonstrated that the Council needs to consider the risk in setting and managing its budgets.
- 13.2 The key risks that could arise and ways in which they should be managed are set out in the main February Budget report and associated appendix.
- 13.3 The Council maintains a Significant Business Risk Register which is reviewed bi-annually by the Executive and quarterly by the Senior Management Team. Each Service Area has its own Service Risk Register. These are presented for the consideration of the Finance and Audit Scrutiny Committee on a quarterly rotating basis.
- 13.4 All major projects the Council undertakes have their own separate Risk Register.

Link Asset Services' View of the Economic Background

GLOBAL OUTLOOK. **World growth** looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in

income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in

the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

UK. After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.0% in both September and October so that might prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At its 2 November 2017 meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of

increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

EZ. Economic growth in the Eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.0% y/y), 0.7% in quarter 2 (2.3% y/y) and +0.6% in quarter 3 (2.5% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in October inflation was 1.4%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.0%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and three increases since December 2016; and there could be one more rate rise in 2017, which would then lift the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN. has been struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Prudential Indicators**1. Introduction**

- 1.1 The Prudential Capital Finance system came into effect on 1st April 2004.
- 1.2 The Prudential Capital Finance system replaced the previous system of approval allocations from central government and allows authorities to borrow as much as they can prudently afford to pay back from their revenue resources. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (Prudential Code) to provide a mechanism to enable councils to ensure, that in line with the new freedom given, their capital investment plans are affordable, prudent and sustainable.
- 1.3 It is the Council's responsibility to set its prudential indicators having had regard to its own individual set of circumstances. The Council will then be able to demonstrate that its capital investment proposals are affordable, prudent and sustainable.
- 1.4 The Prudential Indicators are divided into groups covering Affordability, Prudence, Capital Expenditure, External Debt and Treasury Management. This appendix explains what the Prudential Indicators are as well as revising them for 2017/18 where appropriate and setting them for future years.

2.0 Affordability - Ratio of financing costs to net revenue stream

- 2.1 This ratio sets an upper limit on the proportion of the Council's net revenue streams both for GF and HRA which goes to service debt.
- 2.2 The table below shows the ratios proposed for the General Fund, Housing Revenue Account and Overall as required by the Prudential Code.

Year	General Fund	Housing Revenue Account	Overall
2017/18 Revised	-1.00% to -6.00%	38.00% to 43.00%	24.00% to 29.00%
2018/19	-1.00% to 4.00%	38.00% to 43.00%	24.00% to 29.00%
2019/20	-1.00% to 4.00%	38.00% to 43.00%	26.50% to 31.50%
2020/21	-1.00% to 4.00%	38.00% to 43.00%	26.50% to 31.50%

- 2.3 It is felt best to have a ratio which is a range rather than a precise figure as at this point in time it is difficult to predict what long term interest rates will be in the future and even a small variation in the interest rate at which borrowing is incurred could cause a ratio based on a precise percentage to be breached but with little effect on the Authority's finances.

- 2.4 The significant size of the HRA ratio is due to the impact of taking on the HRA self financing debt and reflects the need to provide for repayment of the debt throughout the life of the Business Plan. This debt repayment provision was not required under the previous subsidy system but is fully covered within the Business Plan as the Council will retain all its rent income in order to provide for debt servicing costs.
- 2.5 There will be a need to monitor these ratios during the year and, if necessary, to take remedial action to avoid them being breached. It is recommended that the trigger point be set at the lowest point of each range. This will give sufficient time to remedy the situation.

3.0 Affordability - Estimates of the incremental impact of the new capital investment decisions on the Council Tax / Average Weekly Housing Rents

- 3.1 This is seen as a fundamental indicator of affordability as it allows the Council to see what impact additional capital expenditure (including revenue consequences) and the way it is financed has on the Council Tax/Housing Rents and therefore whether or not any resultant increases are either financially or politically acceptable. The table below shows the incremental impact on the Council Tax and Housing Rents of the capital programme:

Year	Council Tax	Housing Rent
2018/19	-£3.16	£0.46
2019/20	-£2.17	£0.60
2020/21	-£1.12	£0.76

- 3.2 The impact on the Council Tax also includes the revenue effects of both old and new capital as well as an estimate of the lost investment interest on the resources used to finance the capital programme.
- 3.3 The Housing Rent figures in the table above reflect the cumulative effect of the investment interest foregone as a result of utilising Housing Capital Investment Reserve balances and one for one capital receipts to finance the Sayer Court development. Although the HRA Self Financing debt counts as capital expenditure it is not "new" capital expenditure rather it is a transfer of existing debt between central and local government and is already fully resourced by the current rents being charged, hence its effects are excluded from this indicator.

4.0 Prudence - Gross Debt and the Capital Financing Requirement

- 4.1 This indicator requires that gross debt, except in the short term, is to be kept below the CFR for the same period. It is estimated that gross external debt will be lower than the capital financing requirement in future years.

5.0 Capital Expenditure - Estimates of Capital Expenditure for at least 3 years

- 5.1 The Council is required to publish its estimated capital expenditure for both the general fund and housing revenue account for the next year and two years following. By modelling various capital programmes, this

indicator provides the data for other indicators such as the ratio of financing costs to net revenue stream and the incremental impact on the council tax/housing rents.

- 5.2 The table below shows the Councils estimated capital expenditure on the General Fund and Housing Revenue Account for the next four years:

Capital expenditure	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000
General Fund	17,949	3,672	441	379
Housing Investment	6,628	5,216	5,216	5,216
Total	24,577	8,887	5,657	5,595

6.0 Capital Expenditure - Estimates of Capital Financing Requirement

- 6.1 This is a key measure in that it measures the underlying need for an authority to borrow for capital purposes. Either external or internal borrowing (where an authority utilises cash backing investments rather than externally borrowing) creates a cost to the Council in terms of having to pay interest on and provide for repayment of external loans or lost investment interest. The Capital Financing Requirement provides the starting point for calculating this cost and the results feed into the ratio of financing costs to net revenue stream indicator and also the incremental impact on the council tax / housing rents indicator.
- 6.2 The estimated Capital Financing Requirements (CFR) at the end of 2017/18 and each of the next three years are as follows and are based on the Council's capital programme and also include both the HRA Self Financing debt settlement and the effects of the debt repayment strategy contained within the HRA Self Financing Business Plan. The GF CFR also includes the impact of the internal borrowing incurred in 2015/16, 2016/17 and 2017/18 as well as the external borrowing to be taken in 2018/19 to part fund the Leisure Centres refurbishment programme.

Year	General Fund	HRA	Total
	£000	£000	£000
2017/18 Revised	17,918	135,787	153,705
2018/19	18,474	135,787	154,261
2019/20	18,303	135,787	154,089
2020/21	18,553	135,787	154,340

- 6.3 With regard to the HRA the Capital Financing Requirement reflects the HRA Self Financing debt settlement of £136.157m. The CFR is slightly below the borrowing figure due to the £0.370m negative capital financing requirement at the commencement of 2011/12. The Council is also limited to a maximum HRA CFR which is £150 million each year.
- 6.4 Because of variations in the capital programmes there will be a need to monitor this indicator in year to ensure that the in year limit is not breached by slippage from the previous year or expenditure brought forward from the following year. This is unlikely but will be kept under review by Finance.

7.0 External Debt - Authorised Limit

7.1 The Council is required to set for the forthcoming year and the following two financial years an Authorised Limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. The Authorised Limit equates to the maximum external debt at any one time which the Council is allowed to have outstanding.

7.2 The recommended Authorised Limit is as shown in the table below:

Authorised Limit	2017/18 Latest	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£000	£000	£000	£000
Debt	44,050	66,050	66,050	66,050
Add HRA Settlement	136,157	136,157	136,157	136,157
HRA Head Room	13,843	13,843	13,843	13,843
Other Long Term Liabilities	2,063	2,047	2,030	2,012
Total	196,113	218,097	218,080	218,062

7.3 The limits above take into account the HRA Self Financing debt settlement and Leisure Centre Refurbishment borrowing. They also include an allowance for any potential prudential borrowing on future capital projects both GF and HRA.

8.0 External Debt - Operational Boundary


8.1 The Council is also required to set an operational boundary for external debt. Again this is for three years and gross of investments. The Operational Boundary which is less than the Authorised Limit is effectively the day to day working limit for cash flow purposes. This indicator is sensitive to additional borrowing and to debt restructuring so will need to be set at an appropriate level at the outset of each financial year to cater for any forecast activity in these areas during the coming year. Occasional breach of the Operational Boundary is not seen as a cause for concern (so long as the Authorised Limit is not breached) but a sustained breach could mean that there are problems with the Councils cash flow therefore there will be a need to monitor this indicator during the year and, if necessary, to take remedial action.

8.2 The recommended Operational Boundaries are as shown in the table below:

Operational Boundary	2017/18 Latest	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£000	£000	£000	£000
Debt	1,050	13,050	13,050	13,050
Add HRA Settlement	136,157	136,157	136,157	136,157
HRA Head Room	13,843	13,843	13,843	13,843
Other Long Term Liabilities	1,063	1,047	1,030	1,012
Total	152,113	164,097	164,080	164,062

9.0 Treasury Management - Adoption of the CIPFA Treasury Management Code of Practice

- 9.1 It is a requirement of the Prudential Code that the Council states that it has adopted the 2009 Revised CIPFA Treasury Management Code of Practice. The Council has adopted the code.

 Executive 7 February 2018		Agenda Item No. 4
Title	Treasury Management Strategy 2018/19	
For further information about this report please contact	Jenny Clayton & Mike Snow	
Wards of the District directly affected	-	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	Treasury Management Information via External Advisers, Brokers, External Investment Agents etc.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes (888)
Equality Impact Assessment Undertaken	No – not relevant

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22.01.18	Andy Jones
Head of Service	24.01.18	Mike Snow
CMT	17.01.18	
Section 151 Officer	24.01.18	Mike Snow
Monitoring Officer	09.01.18	Andy Jones
Finance	23.01.18	Vicki Forrester
Portfolio Holder(s)	24.01.18	Cllr. Peter Whiting
Consultation & Community Engagement		
None		
Final Decision?		Yes
<i>Suggested next steps (if not final decision please set out below)</i>		

1. **Summary**

- 1.1 This report details the strategy that the Council will follow in carrying out its treasury management activities in 2018/19.

2. **Recommendation**

- 2.1 The District Council approves the:
- Treasury Management Strategy
 - Investment Strategy
 - Minimum Revenue Provision Policy

3. **Reasons for the Recommendation**

- 3.1 The Council is required to have an approved Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations will be carried out.
- 3.2 No changes have been proposed to this strategy when compared to the 2017/18 Treasury Management Strategy.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

"The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

"The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy."

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
No direct impact	No direct impact	No direct impact
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u>	<u>Intended outcomes:</u>	<u>Intended outcomes:</u>

All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
No impact	No impact	To continue to maximize the income earned on our investments whilst first ensuring security and appropriate levels of liquidity.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. The Treasury Management function is consistent with the relevant supporting strategies.

4.3 Changes to Existing Policies

The Treasury Management function is in accordance with existing policies.

4.3 Impact Assessments

There are no impacts of new or significant policy changes proposed in respect of equalities.

5. Budgetary Framework

- 5.1 The Treasury Management Strategy has a significant impact on the Council's budget through its objective of maximising investment income and minimising interest payable whilst ensuring the security and liquidity of financial resources.

The 2018/19 budget for investment income is as follows:

2018/19 Budget	£000
External Investment Income	781.9
Plus deferred capital receipts interest	23.4
Less HRA allocation	(343.9)
Net Interest to General Fund	461.4

6. Risks

- 6.1 Investing the Council's funds inevitably creates risk and the Treasury Management function effectively manages this risk through the application of the SLY principle. Security(S) ranks uppermost followed by Liquidity (L) and finally Yield(Y). It's accepted that longer duration investments increase the

security risk within the portfolio; however this is inevitable in order to achieve the optimal return and still comply with the SLY principle which is a cornerstone of treasury management within local authorities.

- 6.2 Section 10.6 provides more detail on how the risk is mitigated.
- 6.3 By engaging with our treasury management consultants, the Council is able to tolerate the risks to which it is exposed. Link Asset Services (Link), the Council's consultants, provide regular briefings, alerts and advice in respect of the Council's portfolio. Provision also allows for training so officers responsible for the Council's treasury management function are informed and competent.

7. Alternative Option(s) considered

- 7.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Treasury Management Code of Practice and to set prudential indicators to ensure the capital programme is affordable, prudent and sustainable. Prudential indicators can be found in Appendix A.
- 7.2 CIPFA Treasury Management Code of Practice requires the annual approval by Council of the Treasury Management Strategy, which will include the Investment Strategy and Minimum Revenue Provision Policy.
- 7.3 CIPFA have recently released Consultation on proposed changes to the Treasury Management Code of Practice and Prudential Code and at the time of drafting this report the revised Codes had not been released. When the new versions are made available, officers will complete a review and if any significant changes are required to this strategy a revised report will be brought to Full Council to approve.
- 7.4 The Annual Investment Strategy and Minimum Revenue Provision Policy must have regard to Secretary of State Guidance. At the time of writing this report the Department for Communities and Local Government had issued a consultation, which would amend the existing guidance. Whilst it is intended that the changes will apply from 2018/19, changes cannot be implemented until the revised guidance is formally released. As per comments in section 7.3, if the revised guidance requires a change to the Annual Investment Strategy and Minimum Revenue Provision Policy, officers will bring a revised report to Full Council.

8. Background

- 8.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 8.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic,

any debt previously drawn may be restructured to meet Council risk or cost objectives.

8.3 CIPFA defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

9. Treasury Management Strategy

9.1 Interest Rate Forecast

- 9.1.1 The major influence on the Council's investments is the Bank of England base rate. The Council has appointed Link as treasury advisors who have provided the following interest rate forecast:

Period	Bank Rate %
Jan 2017 - Nov 2018	0.50
Dec 2018 - Nov 2019	0.75
Dec 2019 - Aug 2020	1.00
Sept 2021 -	1.25

9.2 Borrowing Strategy

- 9.2.1 The Link forecast for the PWLB new borrowing rate is as follows:

Period (years)	PWLB Certainty Rate % (including certainty rate adjustment)		
	5 years	25 years	50 years
Mar 2018	1.6	2.9	2.6
Jun 2018	1.6	3.0	2.7
Sep 2018	1.7	3.0	2.8
Dec 2018	1.8	3.1	2.9
Mar 2019	1.8	3.1	2.9
Jun 2019	1.9	3.2	3.0
Sep 2019	1.9	3.2	3.0

- 9.2.2 The Council's current long term borrowing portfolio consists of £136.157m PWLB debt. These loans were taken out to finance the Housing Revenue Account (HRA) Self Financing settlement and the interest paid on this debt is entirely borne by the HRA and is provided for as part of the HRA Business Plan. The first of these loans is scheduled to be repaid on 28th March 2053 with the final loan being repaid on 28th March 2062. The Council's treasury advisors will monitor the HRA debt portfolio and identify any opportunities for debt restructuring, should these arise.

- 9.2.3 Due to high levels of cash balances, external borrowing to fund the leisure centre refurbishment projects has not yet taken place. We plan to borrow £10.196m as originally envisaged, on 1 April 2018. It is likely that this will consist of two annuity loans, the first for £3.678m for a period of 25 years and the second for £6.518m for 40 years, to match the expected life of the assets financed. Based on borrowing rates at the time of writing this will result in interest and principal repayments of £194.2k per annum for the 25 year loan and £263.5k per annum for the 40 year loan and a total repayment of £15.4m. When compared to the rates prevailing when the 2017/18 budget was set this will result in a reduction in borrowing costs over the full period of the loans of £879.6k.
- 9.2.4 The major source of long term borrowing for local authorities is the Public Works Loans Board (PWLB). However, it is possible the recently established Municipal Bond Agency will be offering loans to local authorities in the future. It is envisaged that the rates will be lower than those offered by the PWLB. This Authority may make use of this new source of borrowing as and when appropriate. The Council will also consider other sources of external finance if they provide a lower rate of interest than comparable PWLB loans.
- 9.2.5 The Council will continue to engage in short term borrowing (up to 364 days) if necessary in order to finance temporary cash deficits, however by managing the Council's cash flow effectively these will be kept to a minimum. In each case, wherever possible, the loan will be taken out for periods of less than 7 days in order to minimise the interest payable. To date in 2017/18 the Council has not incurred any short term borrowing and is not expected to do so in 2018/19 either.

9.3 MiFIDII

- 9.3.1 The Markets in Financial Instruments Directive was introduced due to the increasing complexity of financial products to strengthen consumer protection. On 3 January 2018, part two came into effect. Warwick District Council, in common with other Local Authorities, requested to opt up to 'professional' client status from a default position of 'retail' to allow it to continue to invest in line with the Treasury Management Strategy. If the Council had remained as a 'retail' client the same type and range of investment products to invest in would not have been available.

9.4 Capital Prudential Indicators for 2018/19 to 2020/21

- 9.4.1 The Council's capital expenditure plans are a key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
- 9.4.2 The Council must have regard to the Prudential Code for Capital Finance in Local Authorities and there is an overriding requirement for capital spend to be prudent, affordable and sustainable. This is measured by adherence to prudential indicators as set by the Authority. Prudential indicators are approved as part of the budget resolution in February and are relevant for setting an integrated Treasury Management Strategy. They are also located in Appendix A.

9.4.3 Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts as part of the general fund budget report:

Capital expenditure £000	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
General Fund	5,333	17,949	3,672	441	379
Housing Investment	11,358	6,628	5,216	5,216	5,216
Total	16,691	24,577	8,887	5,657	5,595

The table below summarises how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £000	2016/17 Actual	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Capital receipts	4,304	2,812	510	338	387
Capital grants	1,390	2,785	1,512	559	886
Capital reserves	8,053	6,275	5,605	4,697	4,635
Revenue	185	291	200	200	200
Subtotal	13,932	12,163	7,827	5,794	6,108
Net financing need for the year	2,759	12,414	1,061	(137)	(513)

The leisure centre refurbishment programme is the largest project in the capital programme with the bulk of spend in 2017/18. A treasury management decision was taken to defer taking out the external borrowing funding the majority of spend until 2018/19, this has been expanded on in section 9.2.3.

Tables may not sum due to rounding.

9.5 Benchmarking

9.5.1 Link co-ordinates a sub-regional treasury management Benchmarking service of which Warwick District Council is an active participant. The Council aim to achieve or exceed the weighted average rate of return of the Link model portfolio, which is published quarterly.

9.5.2 During 2017/18 year to date, the Council has outperformed the model portfolio.

9.6 Performance

9.6.1 Performance of the treasury function is reported twice yearly to the Finance and Audit Scrutiny Committee.

9.6.2 The Treasury Management Team will seek to achieve a return on its money market investments of 0.0625% over LIBID of a similar duration (LIBID refers to the average interest rate which major London banks are willing to borrow from each other).

9.7 External Contracts

9.7.1 The Council has exercised the option to extend our contract with Link, our treasury advisors, by two years, taking the current agreement to January 2020.

9.7.2 Banking services are provided by HSBC Bank Plc, with the current agreement running until February 2020. This agreement has an option to extend for a further five years.

10. Annual Investment Strategy

10.1 The Council will have regard to the DCLGs Guidance on Local Government Investments and the revised CIPFA Treasury Management in the Public Services Code of Practice.

10.2 The Council's investment priorities will be Security first, Liquidity second and thirdly Yield.

10.3 The Annual Investment Strategy specifies which investments the Council may use for prudential treasury management. Appendix B details the types of investment the Council may invest in, split under the headings of specified and non-specified investments in accordance with statutory guidance and also details the counterparty limits.

10.4 Specified investments are defined as those with a high credit rating. For bank deposits, this is a Fitch (or Moody's or S&P's equivalent) sovereign rating at least equal to that of the United Kingdom. At the time of writing this was AA long term and F1+ short term.

10.5 Use of non specified investments provides a useful tool for investing relatively small amounts of money for short periods of time and obtaining a competitive return on the investment. The restrictions, as detailed in Appendix C allow the management of the increased risk compared to specified investments.

10.6 Creditworthiness policy

This Council applies the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

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

This modelling approach combines credit ratings, Watches and Outlooks with CDS spreads in a weighted scoring system to produce an end product which is a series of colour coded bands which indicate the relative creditworthiness of

counterparties. These are used by the Council to inform the duration of investments.

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system; it does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored routinely and will inform every investment decision. The Council is alerted to changes to ratings of all three agencies through its use of the service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads and other market data on a daily basis.

Reliance will not be placed solely on the use of this external service. In addition this Council will use market data and market information to help support its decision making process.

- 10.7 All investments in property, corporate bond and corporate equity funds will be supported by the advice of Link, our treasury advisors.
- 10.8 All investments will be in sterling. The Council's investment priorities are the security and liquidity of its investments. The Council's objective will be to maximise the return whilst safeguarding as much as possible the capital sum and avoiding cash flow problems. The Council will not engage in borrowing for purely investment purposes.
- 10.9 The Council will ensure that it maintains the lists of permitted investments and counterparty limits (Appendices B & C) and will revise and submit the criteria to Executive for approval when required.
- 10.10 The Council has both cash flow derived and core balances available for investment. Investment decisions will be made with regard to cash flow requirements, core cash balances and the outlook for short term interest rates.
- 10.11 The Council will continue to use Money Market Funds (MMFs), call bank accounts and the money markets to invest cash flow driven money until the time when it is required. Core investments will be invested in a combination of corporate equity funds and the financial markets, utilising advice from Link.
- 10.12 The Council has two corporate equity fund managers, Royal London Asset Management and Columbia Threadneedle, the performance of which will be kept under review. Although not currently anticipated, the Council may engage other fund managers to manage investments in similar or alternative investments; any appointment would be made in conjunction with Link and would be in adherence with the procurement rules.
11. Investments that are not part of treasury management activity
- 11.1 Where, in addition to treasury management investment activity, the Council invests in other financial assets and property primarily for financial return, these investments will be proportional to the level of resources available and

the Council will ensure the same robust procedures for the consideration of risk and return are applied to these decisions.

- 11.12 The Council recognises that investment in other financial assets and property may be taken for non-treasury management purposes, thus requiring careful investment management. Such activity includes loans supporting service outcomes and commercial investments, which are taken for mainly financial reasons.
- 11.13 The Council's framework to consider such non treasury management investments is developing. This will be reflected within the Council's forthcoming Capital Strategy. All such investment proposals will be considered on their own merits, and have regard to treasury management principles.
- 11.14 The Council will ensure the organisation's investments are covered in the capital programme, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

Appendices

- A Prudential Indicators
- B Types of Investment
- C Counterparty Limits
- D Minimum Revenue Provision Policy
- E Capita Economic Background

Prudential Indicators

- 1.0 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Authorised Limit". The Council must have regard to the Prudential Code when setting its Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax / rent levels is acceptable. Whilst termed an Authorised Limit, the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements e.g. finance leases. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. The limits shown include the impact of the HRA Self Financing debt settlement which took place on the 28th March 2012. It also includes the HRA "Headroom" which is the amount that the HRA can borrow between the debt settlement and the Debt Cap set under the Self Financing regime and also the £10.196m borrowing for the Leisure Centre refurbishment project. On top of this an allowance has been made for potential new capital projects.
- 1.1 The Authorised Limits to be recommended to Council by the Executive were included in the Budget report presented to the Executive on 7th February and need to be ratified by the Council. They are also displayed in the table below:

Authorised Limit	2017/18 Latest	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£000	£000	£000	£000
Debt	44,050	66,050	66,050	66,050
Add HRA Settlement	136,157	136,157	136,157	136,157
HRA Head Room	13,843	13,843	13,843	13,843
Other Long Term Liabilities	2,063	2,047	2,030	2,012
Total	196,113	218,097	218,080	218,062

- 1.2 The Prudential Indicators required by the code are explained in more detail in the report on the budget and those relevant to an integrated treasury management strategy are reproduced here:

a) **Operational Boundary for External Debt**

Operational Boundary	2017/18 Latest	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£000	£000	£000	£000
Debt	1,050	1,050	13,050	13,050
Add HRA Settlement	136,157	136,157	136,157	136,157
HRA Head Room	13,843	13,843	13,843	13,843
Other Long Term Liabilities	1,063	1,047	1,030	1,012
Total	152,113	152,097	164,080	164,062

The Council is required to set an Operational Boundary for external debt which itself forms part of the Authorised Limit. The Operational Boundary is effectively the day to day working limit for cash flow purposes.

- b) That the Council has adopted the revised CIPFA Treasury Management Code of Practice which it did in February 2011.

c) **Capital Financing Requirement**

Year	General Fund £000	HRA £000	Total £000
2017/18 Revised	17,918	135,787	153,705
2018/19	18,474	135,787	154,261
2019/20	18,303	135,787	154,089
2020/21	18,553	135,787	154,340

The Capital Financing Requirement (CFR) as shown in the table above is a measure of the Council's underlying need to borrow in order to meet past capital expenditure. The CFR is reduced by any provision for the repayment of debt each year. In the case of the General Fund CFR this is the principal element of the PWLB Annuity loans expected to finance the Leisure Centre borrowing and the principal element of the Dog Van and Colour Copier leases. In the case of the HRA debt redemption is not scheduled to start until year 41 (2052/53) of the current Business Plan.

d) **Incremental Impact on Council Tax / Housing Rents**

Year	Council Tax	Housing Rent
2018/19	-£3.16	£0.46
2019/20	-£2.17	£0.60
2020/21	-£1.12	£0.76

- e) As a result of HRA Self Financing, the Council is also limited to a maximum HRA CFR. This limit is currently:

HRA Debt Limit	2017/18 (for comparison)	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
Total	150.00	150.00	150.00	150.00

- 1.3 In addition certain indicators that used to be part of the Prudential Code are now part of the Treasury Management Code of Practice and are shown below:

Upper limits to fixed interest rate and variable interest rate exposures on borrowing

Year	Upper Limit - Fixed Rate	Upper Limit - Variable Rate
2018/19	100%	30%
2019/20	100%	30%
2021/22	100%	30%

Upper and Lower Limits respectively for the Maturity Structure of Fixed Interest Rate Borrowing

Period	Upper	Lower
Under 12 months	4%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and above	96%	0%

Upper and Lower Limits respectively for the Maturity Structure of Variable Interest Rate Borrowing

Period	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%

1.4 Principal sums invested for periods longer than 364 days

The total maximum sum that can be invested for more than 364 days is 70% of the core investment portfolio subject to a maximum of £20 million at any one time. However, where investments which originally were for periods of more than 364 days have 364 days or less to maturity at the 1st April each year they shall be classed from that date as short term i.e. less than 364 day investments and will not count against the 70% or £20 million limit.

Schedule of specified and non-specified investments

Specified Instruments (<365 days)

- Deposits with banks and building societies
- Deposits with UK Government, Nationalised Industries, Public Corporations, and UK Local Authorities
- UK Government Gilts
- Debt Management Agency Deposit Facility (DMADF)
- Constant Net Asset Value Money Market Funds (AAA rated)
- Variable Net Asset Value Money Market Funds (AAAF rated)
- Certificates of deposits issued by banks and building societies
- Corporate Bonds issued by private sector financial institutions
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government
- Corporate Bonds issued by corporates
- Covered Bonds issued by private sector financial institutions
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government
- Covered Bonds issued by corporates
- Supranational Bonds issued by Supranational Institutions or Multi Lateral Development Banks
- Floating Rate Notes issued by private sector financial institutions
- Floating Rate Notes issued by financial institutions partly or wholly owned by the UK Government
- Floating Rate Notes issued by corporates
- Eligible Bank Bills
- Sterling Securities guaranteed by HM Government
- Repos

Non Specified Investments

- Deposits with unrated building societies
- Deposits with banks and building societies greater than 364 days
- Deposits with UK Local Authorities greater than 364 days
- Certificates of deposits issued by banks and building societies greater than 364 days
- Corporate Bonds issued by private sector financial institutions greater than 364 days
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 364 days
- Corporate Bonds issued by corporates greater than 364 days
- Covered Bonds issued by private sector financial institutions greater than 364 days
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 364 days
- Covered Bonds issued by corporates greater than 364 days
- Corporate Bond Funds
- Regulated Property Funds including Real Estate Investment Trusts
- CCLA Property Fund

- UK Government Gilts with over 364 days to maturity
- Supranational Bonds issued by Supranational Institutions or Multi Lateral Development with over 364 days to maturity
- Corporate Equity Funds

Minimum Revenue Provision Policy**1. Background**

- 1.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the capital financing requirement - CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
- 1.2 CLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement
- 1.3 The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

2. Four Main Options**2.1 Option 1 – Regulatory Method**

This option is the old statutory method of 4% of the CFR and which has to be used in order to calculate MRP on all debt still outstanding at 1st April 2008. It can also be used to calculate MRP on debt incurred under the new system but which is supported through the annual SCE (Supported Capital Expenditure) allocation from DCLG.

2.2 Option 2 – Capital Financing Requirement Method

This is a variation of option 1 and is based upon 4% of the CFR with certain changes and is appropriate where the borrowing is not linked to a particular asset.

2.3 Option 3 – Asset Life Method

Under this option, it is intended that MRP should be spread over the useful life of the asset financed by the borrowing or credit arrangement. In future, where borrowing is utilised to finance specific assets it is likely that the period of the loan will match the expected life of the asset and therefore, under this method the annual charge to the Council's accounts is directly related to building up the provision required to pay off the loan when it matures which, under options 1 and 2, is not possible.

There are 2 methods of calculating the annual charge under this option

- a) equal annual instalments or
- b) by the annuity method where annual payments gradually increase during the life of the asset.

2.4 Option 4 – Depreciation Method.

This is a variation on option 4 using the method of depreciation attached to the asset e.g. straight line where depreciation is charged in equal instalments over the

estimated life and the reducing balance method where depreciation is greater in the early years of an assets life and which is most appropriate for short lived assets e.g. vehicles. In this Council's case assets are depreciated using the straight line method and so option 4 is not materially different from option 3.

3. HRA

- 3.1 With regard to the HRA, there is no requirement to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made. However, at Warwick District Council, an annual MRP, equal to any amounts set aside for debt repayment, will be made.
- 3.2 Under the Self Financing regime, the HRA Business Plan has to provide resources for the repayment of the £136.157m borrowed from the PWLB on 28th March 2012. Repayment of this debt is currently provided for commencing in year 41 (2052/53) and continuing through to year 50 year of the Business Plan. Provision will also have to be made for any use made of the £13.843m headroom up to the 'Debt Cap' imposed by the Government.

4. Warwick District Council Policy

- 4.1 It is recommended that for any long term borrowing on the General Fund e.g. Leisure Centre refurbishments, the following methods of Minimum Revenue Provision be adopted:

For borrowing which cannot be linked to a particular asset – Option 2.

For borrowing linked to a particular asset – Option 3 based on the annuity method.

- 4.2 For any borrowing incurred through finance leases, the annual principal repayments in the lease are regarded as MRP.
- 4.3 Although not strictly part of Minimum Revenue Provision requirements, it is also recommended that for internal borrowing (i.e. capital expenditure financed from reserves), where appropriate, Option 3 based on the annuity method be adopted as a means of replenishing those reserves which financed the capital expenditure
- 4.4 The above proposals reflect no change to the Council's agreed policy.

Link Asset Services Economic Background

GLOBAL OUTLOOK. **World growth** looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks

only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

UK. After the UK surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only

+0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.0% in both September and October so that might prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At its 2 November 2017 meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely

to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

EZ. Economic growth in the Eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.0% y/y), 0.7% in quarter 2 (2.3% y/y) and +0.6% in quarter 3 (2.5% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in October inflation was 1.4%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its

monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.0%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and three increases since December 2016; and there could be one more rate rise in 2017, which would then lift the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN. has been struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Appendix C

type:	S/term	L/term	Support	credit rating	counterparty	period	Use	Notes ref:
Specified instrument: (repayable within 12 months)	(FITCH or equivalent)							
DMADF	n/a			UK Sovereign	£12m	364 days	In House & EFM*	
UK Govt., Local Authorities / Public Corporations /Nationalised Industries	n/a				£9m	364 days	In House & EFM*	11
Bank - part nationalised UK	F1	A		UK Sovereign	£9m	364 days	In House & EFM*	1 & 2
Bank - Private UK (includes Fixed Term Deposits, CD's, and Category 1 FRN's & Bonds)	F1	A		UK Sovereign	£4m	364 days	In House & EFM*	1 & 2
	F1	A+		UK Sovereign	£6m	364 days	In House & EFM*	1 & 2
	F1	AA- & above		UK Sovereign	£7m	364 days	In House & EFM*	1 & 2
	F1	A		UK Sovereign	£4m	364 days	In House & EFM*	1 & 2
Other Private Sector Financial Institutions (includes Category 1 FRN's & Bonds)	F1	A+		UK Sovereign	£6m	364 days	In House & EFM*	1 & 2
	F1	AA- & above		UK Sovereign	£7m	364 days	In House & EFM*	1 & 2
	F1	A		UK Sovereign	£4m	364 days	In House & EFM*	1 & 2
Corporates (Category 3 FRN'S, Bonds)	F1	A+		UK Sovereign	£5m	364 days	In House & EFM*	1 & 2
	F1	AA- & above		UK Sovereign	£6m	364 days	In House & EFM*	1 & 2
Bank subsidiaries of UK Banks	Unrated			Explicit Parent Guarantee	£5m	3 months	In House & EFM*	1 & 3
Money Market Fund(CNAV)	AAA-m / Aaa-mf/AAAmmf				£9m	liquid	In House & EFM*	
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/ AAA/V1				£6m	liquid	In House & EFM*	4
Building Societies - category A	F1	A		UK Sovereign	£4m	364 days	In House & EFM*	1a.
Building Societies - category B	F1			UK Sovereign	£2m	364 days	In House & EFM*	1a.
Corporate bonds - category 2	A				£9m	364 days	In House & EFM*	5
Covered bonds - category 2	A				£9m	364 days	In House & EFM*	12
Bonds - Supranational / Multi Lateral Development Banks	AAA / Govt Guarantee				£5m	364 days	In House & EFM*	
Floating Rate Notes - category 2	A				£9m	364 days	In House & EFM*	6
Eligible Bank Bills	n/a			Determined by EFM	£5m	364 days	EFM*	
Sterling Securities guaranteed by HM Government	n/a			UK Sovereign	9m	not defined	EFM*	

Appendix C

Investment / Counterparty type:	S/term	L/term	Viability / Support	Security / Min credit rating	Max limit per counterparty	Max. Maturity period	Use	Notes ref:
Non-specified instruments	(FITCH or equivalent)							
Building societies - assets > £500m	unrated category C				£1m	3 months	In House	1b. & 9
Bank - part nationalised UK > 1 year	F1	A		UK Sovereign	£9m	2 years	In House +Advice & EFM*	1b.,2, & 10
Bank - Private UK (includes Fixed Term Deposits,CD's, and Category 1 FRN's & Bonds)	F1	A		UK Sovereign	£4m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	A+		UK Sovereign	£6m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	AA- & above		UK Sovereign	£7m	2 years	In House +Advice & EFM*	1b.,2, & 10
Other Private Sector Financial Institutions (includes Category 1 FRN's & Bonds)	F1	A		UK Sovereign	£4m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	A+		UK Sovereign	£6m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	AA- & above		UK Sovereign	£7m	2 years	In House +Advice & EFM*	1b.,2, & 10
Corporates (Category 3 FRN'S, Bonds)	F1	A		UK Sovereign	£4m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	A+		UK Sovereign	£5m	2 years	In House +Advice & EFM*	1b.,2, & 10
	F1	AA- & above		UK Sovereign	£6m	2 years	In House +Advice & EFM*	1b.,2, & 10
Building societies - > 1 year	F1	A		UK Sovereign	£1m	2 years	In House +Advice & EFM*	1b. & 10
Local Authorities > 1 year	n/a		High		£9m	5 years	In House +Advice	10
Corporate bonds - category 2 > 1 year		A			£9m	2 years	In House & EFM*	5 & 10
Covered bonds - category 2 > 1 year	A				£9m	2 years	In House & EFM*	10 & 12
Corporate Equity Funds - low risk	N/A			See note 13	£4m	10 years	EFM*	13 & 14
Corporate Equity Funds - medium risk	N/A			See note 13	£2m	10 years	EFM*	13 & 14
Corporate Bond Funds	BBB				£5m	10 years	In House +Advice & EFM*	10
Pooled property fund eg: REITS				Authorised FS&MA	£5m	10 years	In House +Advice	10
CCLA property funds	n/a			see note 8	£5m	10 years	In House +Advice	7 & 10
Day to day balances	n/a				n/a	n/a	In House	8

Notes:

* EFM = External Fund Manager

All maximum maturity periods include any forward deal period

1. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds and Repo's except where the Repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £3m with a maximum in Repo's of £3m.

1a. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds and Repo's except where the Repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £2m with a maximum in Repo's of £2m.

1b. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds and Repo's

2. Counterparty Limit is also the Group Limit where investments are with different but related institutions.

3. Unrated but with explicit guarantee by parent + parent meets minimum ratings of : S/term F1 L/Term A

Subject to group limit relating to parent bank e.g. £5m if private of £9m if part or wholly nationalised.


4. Subject to overall group limit of £6m - removed from 2016/17.

5. Corporate Bonds must be Senior Unsecured and above. Category types:

Category 1: Issued by private sector Financial Institutions

Category 2: Issued by Financial institutions wholly owned or part owned by the UK Govt

- Category 3: Issued by Corporates
6. Floating Rate Notes - categories as per note 5 above.
 7. Security of Trustee of fund (LAMIT) controlled by LGA, COSLA who appoint the members and officers of LAMIT.
 8. Minimum exposure to credit risk as overnight balances only.
 9. Group limit of £8m
 10. £15m overall limit for Corporate Bond/Equity/Property Funds & £20m limit for all counterparties.
 11. UK Government includes Gilt Edged Securities and Treasury Bills
 12. Covered Bonds Category types:
 - Category 1: Issued by private sector Financial Institutions
 - Category 2: Issued by Financial institutions wholly owned pr part owned by the UK Govt
 - Category 3: Issued by Corporates
 13. Risk determined as follows:-
 - Low - UK Equity Income Funds
 - Medium - UK Capital Growth Funds
 14. Maximum investment limit subject to 10% capital growth i.e. maximum is 110% of original investment

 Executive & Council, 7 February 2018		Agenda Item No. 5
Title	Housing Revenue Account (HRA) Budget 2018/19 and Housing Rents	
For further information about this report please contact	Lisa Barker Tel: 01926 456403 Lisa.barker@warwickdc.gov.uk Andrew Rollins Tel: 01926 456803 Andrew.rollins@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Executive 29 November 2017 Item 4: Housing Revenue Account budgets latest 2017/18 and base 2018/19.	
Background Papers	As above	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes (Ref 886)
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/01/2018	Bill Hunt
Heads of Service	22/01/2018	Lisa Barker (Head of Housing) & Mike Snow (Finance)
CMT	22/01/2018	
Section 151 Officer	22/01/2018	Mike Snow
Monitoring Officer	22/01/2018	Andrew Jones
Finance	22/01/2018	Andrew Rollins
Portfolio Holder	22/01/2018	Councillor Phillips
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report presents to Members the latest Housing Revenue Account (HRA) budgets in respect of 2017/18 and 2018/19.
- 1.2 The information contained within this report makes the recommendations to Council in respect of setting next year's budgets, the proposed changes to council tenant housing rents, garage rents and other charges for 2018/19.

2. Recommendations

The Executive is asked to recommend to Council:

- 2.1 That rents for all tenanted dwellings (excluding shared ownership) be reduced by 1% for 2018/19.
- 2.2 That HRA dwelling rents for all new tenancies created in 2018/19 are set at Target Social (Formula) Rent, or at Warwick Affordable rent for Sayer Court properties.
- 2.3 That garage rents for 2018/19 are increased by an average £4 per month.
- 2.4 That the latest 2017/18 and 2018/19 Housing Revenue Account (HRA) budgets are agreed (Appendix 3).

3. Reasons for the Recommendations

3.1 National Housing Rent Policy – 2018/19 Annual decrease

- 3.1.1 In July 2015 the Government announced that with effect from April 2016, the rents charged for existing tenants by local authority housing landlords should be reduced by 1% per year, for four years. 2018/19 will be the third year of this reduction.
- 3.1.2 In March 2016, a one year deferral was introduced for supported housing from the reduction of social rents in England of 1%, allowing the Council to continue to apply a CPI (at September) + 1% rent increase in 2016/17.
- 3.1.3 In 2017/18, the 1% rent reduction was applied to supported housing, with rents in these properties decreasing by 1% a year up to and including 2019/20.
- 3.1.4 Specialised supporting housing will remain exempt from this policy for mutual / co-operatives, alms houses and Community Land Trusts and refuges. However this Council does not currently have any housing which would meet these criteria.
- 3.1.5 For new tenancies, landlords are permitted to set the base rent as the Target Social Rent (also known as Formula Rent). In our case this represents a small increase over the social rent charged for tenanted properties and is projected to increase rental income by around £5,800 in 2018/19. However, these rent levels would then be subsequently reduced by 1% at the next annual rent review if the tenancy is still running, to comply with the Welfare Reform and Work Bill 2016.

- 3.1.6 The only exception would be in respect of properties at Sayer Court, Leamington, where the Council has previously approved that tenancies within the new development will be let at Warwick Affordable Rent Levels. Whilst the 1% rent decrease will apply to existing tenants, new tenancies established during 2018/19 would be charged at the full Warwick Affordable Rent Value.
- 3.1.7 Details of all current rents and those proposed as a result of these recommendations are set out in Appendix 1. A comparison of the Council's social rents with affordable and market rents is set out in Appendix 2.
- 3.1.8 The recommendations ensure that the Council is operating in compliance with national policy and guidance on the setting of rents for General Needs and Supported Housing properties.

3.2 **Garage Rents**

- 3.2.1 Garage rent increases are not governed by national guidance. Any increase that reflects costs of the service, demand, market conditions and the potential for income generation can be considered. The HRA Business Plan base assumption is that garage rents will increase in line with inflation. However, the Council does not have in place a formal policy for the setting of rents for garages.
- 3.2.2 There are waiting lists for a number of garage sites, whilst other sites have far lower demand; where appropriate these sites are being considered for future redevelopment as part of the overall garage strategy for the future.
- 3.2.3 Market Research shows that in the private sector, garages are being marketed in the district for on average £80 per month (valuations last reviewed January 2016). The average monthly rent for a Council garage is currently £29.50.
- 3.2.4 Taking this into consideration an average increase of £4 per month has been recommended as the most appropriate increase. The additional income generated for the service will help to alleviate the loss of rental income from dwellings and ensure the continuous viability of the Housing Revenue Account Business Plan.
- 3.2.5 Projected income for 2018/19 will therefore increase by a net £84,000 compared to 2017/18.
- 3.2.6 Alongside the rent increase, a review of garage voids has indicated that on average 15% of the total garage stock is void throughout the year, worth £125,000 in potential income.
- 3.2.7 Taking into consideration the rent increase, and review of void levels alongside existing garage income budgets, for 2018/19 income budget is to increase by £42,000 compared to the 2017/18 income budget.
- 3.2.8 For tenants, most garage rents will increase by 92p per week (£48 per month), from £7.07 to £7.99. Non-tenants also pay VAT on the charge, so it will increase by £1.11 per week, from £8.48 to £9.59.

3.3 Shared Ownership

- 3.3.1 During 2015, the council took ownership of 15 shared ownership dwellings at Great Field Drive in Southwest Warwick.
- 3.3.2 Shared owners are required to pay rent on the proportion of their home which they do not own.
- 3.3.3 The shared ownership properties' rent increases are not governed by the national Policy.
- 3.3.4 The Council adopted the Homes and Communities Agency (HCA) template lease agreement which includes a schedule on rent review. Schedule 4 of the lease agreement determines that the rent will be increased by RPI + 0.5% from April 2018.

3.4 Housing Revenue Account (HRA) budgets

- 3.4.1 The Council is required to set a budget for the HRA each year, approving the level of rents and other charges that are levied. The Executive makes recommendations to Council that take into account the base budgets for the HRA and current Government guidance on national rent policy.
- 3.4.2 The dwelling rents have been adjusted to take account of the loss of rent resulting from actual and anticipated changes in property numbers for 2017/18 and 2018/19. This includes additional rental income from the 5 new build properties purchased at Cloister Way which are due to be purchased by and subsequently let to tenants, and changes based on the number of Right-To-Buy sales in 2017/18, and those forecast for 2018/19.
- 3.4.3 Shared ownership property rents will increase by RPI + 0.5% in accordance with the terms of the lease. As at November 2017, RPI is 3.7%, therefore the income budget has been increased by £3,000.
- 3.4.4 The garages rental income budget has been increased by £12,000 to take into account the £4 per month average increase in charges for 2018/19 and current level of voids. This is in addition to the £30,000 budget already included as part of budget setting for a 5% increase (as per the November '17 Executive Report, in turn based on the assumptions underpinning the 2017/18 HRA Business Plan).
- 3.4.5 Full details of the Budget will be included within the Budget Book which will be available to members ahead of Budget / Rents Setting by Council (a summary is provided in appendix 3).
- 3.4.6 The Housing Investment Programme is presented as part of the separate February 2018 report 'General Fund 2018/19 Budget and Council Tax' (Ref 885).
- 3.4.7 The recommendations will enable the proposed latest Housing Investment Programme to be carried out and contribute available resources to the HRA Capital Investment Reserve for future development whilst maintaining a minimum working balance on the HRA of at least £1.4m in line with Council policy.

4. Policy Framework

4.1 The Housing Revenue Account (HRA) budget is a financial expression of the Council's housing policies, having regard to the available resources and rent setting consequences. This report is in accordance with the Council's Financial Strategy.

4.2 Fit for the Future

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities. Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces. All communities have access to decent open space. Improved air quality. Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy. Increased employment and income levels. Vibrant town centres. Improved performance / productivity of local economy.
Impacts of Proposal		
Ensure housing standards and services are suitable for tenants, leaseholders and shared owners, meeting their needs and contributing to their health and well-being.	Ensure HRA budgets are sufficient to maintain HRA owned open spaces and the neighbourhoods around Council owned homes.	Ensure rents are set in accordance with national policy at lower than market rents rates to enable the cost of living for tenants to be reduced, allowing more money to be spent in the wider economy.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools. All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes. Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets. Full Cost accounting Continued cost management. Maximise income earning opportunities. Seek best value for money.
Impacts of Proposal		
The HRA budgets provide the necessary resources to achieve these outcomes	Enable tenants' needs to be met, and support improvement of services relating to Council Housing Stock.	Rent charges proposed ensure that debt can be serviced alongside the strategy outlined in the HRA Business Plan.

A key element of Fit for the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. The HRA is subject to the same regime to ensure efficiency within the service.

4.3 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. Improving housing standards in residents' homes directly and positively contributes to the Housing and Health-and-Wellbeing desired outcomes. It also contributes to the Housing and Homelessness Strategy objective of improving the management and maintenance of existing housing.

4.4 Changes to Existing Policies

The budgets proposed are in accordance with existing policies. The report does not propose any changes to the policies regarding rent setting.

4.5 Rents Policy

4.5.1 This report recommends following the latest Central Government rent guidance. This is also the rent policy assumed in the current HRA Business Plan.

4.5.2 As agreed in June 2014, void homes are re-let at Target Social Rent, in line with the latest Central Government rent guidance.

5. Budgetary Framework

5.1 The HRA is a key component of the Council's budget framework and the budgets proposed are in accordance with the long term HRA Business Plan.

5.2 The 1% rent decrease for tenanted properties is budgeted for within the HRA Business Plan approved in March 2017. The assumptions underpinning the HRA Business Plan 2017 are currently being reviewed and a revised Plan will be reported to the March 2018 Executive.

5.3 The recommended budgets maintain the minimum working balance on the HRA expected under current Council policy, increasing by inflation each year.

5.4 The HRA Business Plan will continue to be reviewed throughout 2018/19 to take account of any subsequent changes to national policy or adjustments needed to reflect changes to existing spending priorities.

6. Risks

6.1 The risks, and appropriate control mechanisms, for the 2018/19 HRA Budget and the rent increase process are considered below.

6.2 When setting the HRA budget for 2018/19, a sensitivity analysis of assumptions relating to these risks and their potential impact on the budget is as follows:-

- 0.5% change in void housing rent loss = £129,000 increase or decrease to rental income.
- Currently only the element of anticipated capital receipts from Right to Buy (RTB) sales specifically reserved for provision of affordable housing has been included for HRA use in future years. It is assumed that the remainder of receipts, known as RTB Any Purpose receipts, will continue to be used to fund other capital projects. Each sale currently generates an average 'usable capital receipt' for the Council of around £82,900 (of which £32,300 is RTB Any Purpose, and £46,600 RTB 1-4-1 receipts). This is calculated after a share is paid to the Treasury under capital receipt 'pooling' regulations, and transaction costs are deducted.
- On average the loss of rental income due to RTB sales is £4,700 per property for a full year; so in the year of sale the initial losses will be approximately half of this, £2,350, for each home sold, assuming RTB sales are spread fairly evenly throughout the year.

6.3 Were any, or all, of these possibilities to arise the impact could be accommodated within the proposed HRA budget for 2018/19 and HRA Business Plan.

6.4 The Housing Revenue Account faces a number of financial pressures arising from changes to national policy and legislation:

- § The continuation of the 1% reduction in income will see HRA rental income reduce from £25.8m in 2015-2016 when the policy was implemented to circa £24.7m after 4 years. It was confirmed in October 2017 that from 2020 HRA rental income will increase by CPI + 1% each year.
- § The introduction of Universal Credit, currently scheduled for roll out locally in October 2018, may lead to additional challenges in recovering rent as residents adjust to the new systems.
- § There is continuing uncertainty as to whether the Government intends to implement the provision within the Housing and Planning Bill to impose a levy on local authorities to fund the extension of Right-to-Buy legislation to all Registered Providers. However, the Government have confirmed that no such requirement will be imposed before 2019/20.
- § The proposed introduction of mandatory use fixed term tenancies for lettings, following the decision to not proceed with 'Pay to Stay'. Administration of this would increase management costs to the HRA and may also increase the number of instances properties are void.

6.5 Officers will closely monitor the changes discussed in paragraph 6.4 above. As and when more details become available, Budgets and the Business Plan will be updated to reflect this, with Members being notified accordingly.

7 Alternative Options

7.1 Garage Rents

- 7.1.1 The Council has discretion over the setting of Garage rents.
- 7.1.2 Each 1% change in garage rents results in an increase or decrease of potential income of around £6,900 per year.
- 7.1.3 It would be possible to set Garage rents higher than those proposed to maximise income; however significantly higher rents may make Garages harder to let and so reduce income. Similarly, rents could also be reduced but this would reduce income to the HRA Budget when it is needed.

7.2 Dwellings

- 7.2.1 The Council does have the discretion to decrease rents for existing tenants by more than the 1% prescribed. However, this would reduce the level of income for the HRA, which in turn could impact upon the viability of future projects.
- 7.2.2 The council does not have the discretion to change the rent schedule for existing shared ownership dwellings, which is determined by the existing terms of the lease.

8 Background

- 8.1 The Executive received a report on HRA budget setting at its meeting in November 2017, detailing Government and Council Policy that has driven the budget process.
- 8.2 However, garage rents, heating lighting and water charges, and supporting people charges for 2018/19 need to be considered and agreed before the final budgets can be set. The background to each of these items is summarised below.
- 8.3 These rents and charges, along with any other changes that have arisen since the previous report, impact on the setting of the final HRA budget.

8.4 Housing Rents and Government Policy

- 8.4.1 In July 2015 the Government announced that with effect from April 2016, the rent charged by local authorities should be reduced by 1% per year for four years. The Government does however expect void properties to be re-let at Target Social Rent so in time bringing all social housing rents into line with the original aims of the 2002 convergence policy.
- 8.4.2 A summary of average target rents compared to the 2018/19 rents for current tenants recommended in this report is included in Appendix 1.
- 8.4.3 A comparison with market rents currently charged for properties with 1 to 4 bedrooms in the WDC area has been included in Appendix 2. For example, the current average weekly market rent for a 3 bedroom home in the area is £252,

whilst the proposed average 2018/19 rent for current WDC tenants living in a 3 bedroom home is £97.03. On average proposed 2018/19 rents are less than half of current market rents. This means that the Council's housing service reduces the cost of living for tenants, allowing more money to be spent in the wider economy and reducing the social security costs of helping lower income tenants afford their rent.

8.5 Housing Revenue Account (HRA)

- 8.5.1 Councils with housing stock are required to maintain a separate 'ring-fenced' Housing Revenue Account (HRA) for all expenditure and income related to council housing. By law councils cannot approve a budget that would lead to a deficit HRA balance.
- 8.5.2 2017/18 and 2018/19 budgets were last considered and approved in the November 2017 report 'Housing Revenue Account (HRA) budgets latest 2017/18 and base 2018/19', which detailed the latest 2017/18 revised budget and base 2018/19 budget and identified variances from the initial 2017/18 budget.
- 8.5.3 A summary of the latest 2017/18 and 2018/19 budgets can be found in Appendix 3.
- 8.5.4 The Capital works in the Housing Investment Programme are presented as part of the separate February 2018 report 'General Fund 2018/19 Budgets and Council Tax' (Ref 885). This will include £2.5m agreed by members in July 2017 in the 'Fire safety in high-rise buildings' report, to be funded from unallocated Major Repairs Reserve balances.

Average Weekly Rents - Formula, Current and Proposed Social Rents

Number of Bedrooms	Current Number of WDC Homes (Target Formula Applicable)	2017/18		2018/19		2018/19 Average Difference between 'Target' (Formula) Rent (F) and Proposed Rent (A)		2018/19 Proposed Average Decrease in Weekly Rent	
		F Average 'Target' (Formula) Rent	A Average Weekly Rent	F Average 'Target' (Formula) Rent	A Proposed Average Weekly Rent				
Studio	56	£65.84	£62.46	£65.19	£61.84	£3.35	5.42%	-£0.62	-1.0%
1	1,460	£84.02	£78.73	£83.18	£77.94	£5.24	6.72%	-£0.79	-1.0%
2	1,914	£92.19	£86.58	£91.27	£85.72	£5.55	6.41%	-£0.87	-1.0%
3	1,887	£105.58	£98.01	£104.53	£97.03	£7.50	7.65%	-£0.98	-1.0%
4	57	£117.91	£106.92	£116.73	£105.85	£10.88	10.18%	-£1.07	-1.0%
5	4	£164.02	£120.67	£162.38	£119.46	£42.92	35.57%	-£1.21	-1.0%
Average	5,378	£94.85	£88.97	£93.90	£88.08	£5.82	6.61%	-£0.89	-1.0%

Warwick Affordable Rent (Sayer Court)

Number of Bedrooms	Type	No of Properties	2017/18 Rent Per Week					2018/19 Rent Per Week				
			Average Target Social Rent	Average Market Rent *	Average Affordable Rent**	Average Warwick Affordable Rent (tenancies prior to 1/4/17)	Average Warwick Affordable Rent (new tenancies from 1/4/17)	Average Target Social Rent	Average Market Rent	Average Affordable Rent**	Average Warwick Affordable Rent (existing tenancies)	Average Warwick Affordable Rent (new tenancies from 1/4/18)
1	Apartment	33	£89.99	£150.00	£120.00	£104.40	£105.00	£89.09	£150.00	£120.00	£103.35	£104.55
2	Apartment	43	£100.93	£192.27	£153.82	£126.61	£127.38	£99.93	£192.27	£153.82	£125.34	£126.87
2	Bungalow	3	£105.80	£214.84	£171.87	£137.98	£138.84	£104.74	£214.84	£171.87	£136.60	£138.31
3	Bungalow	2	£129.66	£245.00	£196.00	£161.85	£162.83	£128.36	£245.00	£196.00	£160.23	£162.18
		81										

The average market rent is based on independent valuations prepared upon completion of Sayer Court by a RICS registered valuer (July 2016). Should a property become vacant and subsequently re-let, a revaluation of the property will be carried out in accordance to the same Regulatory standards.

*

** Affordable rent is calculated at 80% of the market rent

*** Warwick affordable rent is calculated at the midpoint of affordable rent and target social rent

Comparison to Local Market Rents

Number of Bedrooms	2017/18 WDC Current Average Weekly Rent	2018/19 WDC Proposed Average Weekly Rent	Current Local Average Weekly Market Rent *	Difference between Proposed WDC Rent and Market Rent	Proposed 2017/18 WDC Rent as a % of Market Rent	2017/18 WDC Current Average Formula (Target) Rent	2018/19 WDC Proposed Average Formula (Target) Rent	Difference 2017/18 WDC Formula Rent to Market Rent	2017/18 WDC Formula Rent as a % of Market Rent	Affordable Rents at 80% of Market Rent	LHA Local Housing Allowance Limit ** (Dec 2017)
1 Bedroom	£78.73	£77.94	£160	£82	49%	£84.02	£83.18	£77	52%	£128	£119.09
2 Bedroom	£86.58	£85.71	£196	£110	44%	£92.19	£91.27	£105	47%	£157	£150.36
3 Bedroom	£98.01	£97.03	£252	£155	39%	£105.58	£104.53	£147	41%	£202	£181.80
4 Bedroom	£106.92	£105.85	£323	£217	33%	£117.91	£116.73	£206	36%	£258	£246.50

* Median local average private market rents (as at December 2017) from Hometrack

** LHA (Local Housing Allowance) is the cap for housing benefit for those who rent privately, subject to other eligibility criteria.


Rates shown are for the Warwickshire South Broad Rental Market Area, December 2017.

LHA does not apply to council tenants; it is shown to illustrate the highest rents that can be supported by housing benefit in the private rented sector.

HRA 2017/18 Latest Budget and 2018/19 Base Budget

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7000 HOUSING REVENUE ACCOUNT</u>				
DIRECT EXPENDITURE				
Housing Repairs Supervision	824,286	682,300	798,300	860,600
HRA Repairs and Maintenance	5,335,069	5,267,200	5,171,700	5,017,500
Electricity	65	400	400	400
Gas	(1,828)	-	-	-
Wood Fuel	5,401	-	-	-
R+M Mansafe Lines etc	4,128	-	-	-
Rates	2,072	2,100	-	-
Hsg Rates-Other Prop	49,334	19,700	132,200	137,100
Water Charges-Metered	42,655	32,600	32,600	32,600
Premises	6,261,182	6,004,300	6,135,200	6,048,200
Equipment Furniture & Materials	26	-	-	-
Other Hired & Con Serv	1,436	-	-	-
Debt Recovery Agency Costs	-	3,900	3,900	3,900
Contributions To Provisions	(925)	15,000	127,700	127,700
Bad Debts Provision	77,929	380,200	250,000	380,200
Supplies and Services	78,466	399,100	381,600	511,800
Direct Court Fees	11,437	-	-	-
Consultants Fees	927	-	-	-
Third Party Payments	12,364	-	-	-
Housing Services	-	-	-	-
Supervision & Management - General	2,230,655	2,826,400	2,684,900	2,681,900
Supervision & Management - Special	2,030,616	2,216,700	2,400,800	2,186,700
Support Services	4,261,271	5,043,100	5,085,700	4,868,600
Notional Interest	-	-	-	152,400
Loss / (Gain) On Impairment Of Assets	(36,778,508)	-	-	-
Depreciation on Council Dwellings	2,922,762	2,913,400	2,913,400	2,913,400
Depreciation on Other HRA Properties	516,715	541,800	541,800	541,800
Depreciation on Equipment	10,662	10,700	10,700	10,700
Capital Charges	(33,328,369)	3,465,900	3,465,900	3,618,300
TOTAL DIRECT EXPENDITURE	(22,715,086)	14,912,400	15,068,400	15,046,900

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ORIGINAL BUDGET 2018/19 £
DIRECT INCOME				
Other Income	(5,000)	-	-	-
Other Licences	(1,046)	(4,100)	(4,100)	(4,100)
Heating Charges	(120,417)	(102,900)	(102,900)	(102,900)
Service Charges	(189,683)	(131,200)	(131,200)	(131,200)
Service Charges Supporting People	(163,000)	(147,500)	(147,500)	(147,500)
Water Charges	(32,891)	(31,100)	(31,100)	(31,100)
Service Charges Leasehold	(441)	-	-	-
Rents-Houses	(25,518,853)	(25,347,000)	(25,279,000)	(25,031,200)
Rents-Shared Ownership	(68,004)	-	(68,000)	(71,000)
Rents-Garages	(515,809)	(620,000)	(620,000)	(662,000)
Rents-Others	(293,105)	(320,000)	(320,000)	(320,000)
General Fund	(37,898)	(37,900)	(37,900)	(37,900)
General Fund- SP	(154,977)	-	-	-
TOTAL DIRECT INCOME	(27,101,124)	(26,741,700)	(26,741,700)	(26,538,900)
NET INCOME FROM SERVICES	(49,816,210)	(11,829,300)	(11,673,300)	(11,492,000)
Interest-Balances	(208,400)	(253,300)	(210,700)	(213,300)
Capital Charges - Adj	-	(100,000)	(100,000)	(100,000)
Depreciation Adj - Other HRA Property	544,100	-	-	-
NET OPERATIONAL INCOME	(49,480,510)	(12,182,600)	(11,984,000)	(11,805,300)
APPROPRIATIONS				
Reversal of Notional Interest	-	-	-	(152,400)
External Interest	4,765,564	4,765,600	4,765,600	4,765,600
Appropriation Re Depn + MRA	2,139,777	2,887,900	2,887,900	2,887,900
Capital financing	3,391,839	-	-	-
Cap Fin-Rev Contr to Cap Outlay(GF+HIP)	103,968	119,600	119,600	119,600
Cont from Reserves	171,900	8,000	8,000	8,000
Contrib HRA Capital Invest Reserve (Dr)	5,599,131	4,576,900	4,614,500	4,569,400
recognised gains/losses -asset sales	5,004,165	-	-	-
fixed assets impairment charged to rev	45,486,844	-	-	-
F Assets sales b/s val trf to I & E a/c	3,225,206	-	-	-
sur/def on reval of assets held for sale	43,304	-	-	-
Capital financing	(3,391,839)	-	-	-
Cont from Reserves	(20,000)	(100,000)	(100,000)	(100,000)
rec gains/losses - fa - reversal	(5,004,165)	-	-	-
fixed assets impairment charged to rev	(8,708,336)	-	-	-
F Asset sales trf from I & E to CAA a/c	(3,225,206)	-	-	-
employee benefits accruals (cr)	(5,004)	-	-	-
sur/def on reval of assets held for sale	(43,304)	-	-	-
Net IAS19 Charges for Retirement Benefits	(449,451)	(535,000)	(804,200)	(782,000)
Employers Contribs payable to Pension Fd	223,017	261,900	322,100	322,000
Pensions Interest+Rate of Return Assets	159,200	172,500	145,300	138,700
TAKEN FROM / (TO) BALANCES	(13,900)	(25,200)	(25,200)	(28,500)
Balance Brought Forward	(1,385,900)	(1,399,800)	(1,399,800)	(1,425,000)
BALANCE CARRIED FORWARD	(1,399,800)	(1,425,000)	(1,425,000)	(1,453,500)

 Executive & Council, 7 February 2018		Agenda Item No. 6
Title	Heating, Lighting and Water Charges 2018/19 – Council Tenants	
For further information about this report please contact	Lisa Barker lisa.barker@warwickdc.gov.uk 01926 456403 Andrew Rollins andrew.rollins@warwickdc.gov.uk 01926 456803	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers	Previous annual 'Approval of Heating, Lighting and Water Charges' reports, every February	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes (ref 887)
Equality & Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/01/2018	Bill Hunt
Head of Service	22/01/2018	Lisa Barker (Head of Housing Services) & Mike Snow (Finance)
CMT	22/01/2018	
Section 151 Officer	22/01/2018	Mike Snow
Monitoring Officer	22/01/2018	Andrew Jones
Finance	22/01/2018	Andrew Rollins
Portfolio Holder(s)	22/01/2018	Councillor Phillips
Consultation Undertaken		
None		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report sets out the proposed recharges to Council housing tenants for the provision of communal heating, lighting and water supply during 2018/19.

2. Recommendation

- 2.1 To recommend to Council to agree the revised recharges for Council tenants relating to heating, lighting, water and miscellaneous charges for the rent year commencing 2nd April 2018, as set out in Appendix 1 & Appendix 2.
- 2.2 To recommend to Council that from 2019/20 the agreement of the heating lighting and water charges are delegated to the Head of Housing and Head of Finance in consultation with the relevant portfolio holders, with charges calculated in accordance with the methodology within paragraphs 3.2 and 3.4.

3. Reasons for the Recommendation

- 3.1 Recharges are levied to recover costs of electricity, gas and water supply usage to individual properties within one of the sheltered and the 5 very sheltered housing schemes, which are provided as part of communal heating and water supplies. The costs of maintaining communal laundry facilities are also recharged at those sites benefitting from these facilities under the heading of miscellaneous charges.
- 3.2 The charges necessary to fully recover costs are calculated annually from average consumption over the last three years, updated for current costs and adjusted for one third of any over-recover or under-recovery in previous years. The charges for 2018/19 are calculated on the basis of average consumption from December 2014 to November 2017. The use of an average ensures that seasonal and yearly variations are reflected in the calculation.
- 3.3 For reference, in February 2013 the increase required to meet projected Heating & Lighting costs was deemed unaffordable for tenants, so it was agreed to implement a lower increase and aim to fully recover costs within a 5 year period. In 2015/2016 it was recommended that where the increase to fully recover costs was higher than 95p per week, the increases be constrained to 95p to ensure the increase is affordable for tenants and continue to move towards full recovery over future years.
- 3.4 From 2016/17, the council moved towards a policy of full recovery of costs and to achieve this it adopted a policy whereby the charges be increased by the lower of, the full amount to achieve full cost recovery or an amount equivalent to 1% of the rent due for the property. This approach enables full costs recovery to be phased in gradually and ensures that no excessive increases to the charges are made in one year. This is a fair approach as it facilitates the council implementation of full costs recovery and it ensures tenants are no worse off financially (Appendix 1).
- 3.5 The Gas and Electricity contracts for the authority were renegotiated in 2016/17, with savings achieved on the gas contract but an increase agreed on the electricity contract. Any savings / increases will be passed on to tenants in future years through the process detailed above.

- 3.6 As the heating, lighting and water charges are intended to be cost recovery, following the methodology outlined in paragraph 3.2, it is proposed that from 2019/20 the charges are agreed following this methodology by the Head of Housing and Head of Finance, in consultation with the relevant portfolio holders. Any changes in the income budgets will be reflected in the HRA Rent setting report.

4. Policy Framework

- 4.1 The Heating, Lighting and Water Charges Report forms part of the Budgetary Framework, which is the resource strategy for implementing Fit for the Future.

4.2 Fit for the Future

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces. All communities have access to decent open space. Improved air quality. Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy. Increased employment and income levels. Vibrant town centres. Improved performance/productivity of local economy.
Impacts of Proposal		
Ensure housing and services are suitable for occupiers, meeting their needs and contributing to their health and well-being.	Utility rates set to ensure full recovery of costs over a phased period at a manageable rate.	Phased recovery of utility charges enables tenants to have financial stability, allowing more money to be spent in the wider economy.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools. All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets. Full Cost accounting Continued cost management. Maximise income earning opportunities. Seek best value for money.
Impacts of Proposal		
The HRA budgets provide the necessary resources to achieve these outcomes	Enable tenants' needs to be met, and support improvement of services relating to Council Housing Stock.	Utility rates proposed ensure full recovery of costs, enabling other income to service HRA debt alongside the strategy outlined in the HRA Business Plan.

- 4.3 A key element of Fit for the Future is ensuring that the Council achieves the required savings to enable it to set a balanced budget whilst maintaining service provision. The Housing Revenue Account is subject to the same regime to ensure efficiency within the service.

5. Budgetary Framework

- 5.1 Recharges to tenants for the provision of communal heating, lighting and water form part of the Housing Revenue Account (HRA), which is a key component of the Council's budgetary framework.
- 5.2 If charges are set so as not to fully recover costs, this will present an additional cost to all housing tenants by way of the rent they are charged, unless costs are recouped in future years.

6. Risks

- 6.1 It would be impossible to predict fuel and water costs over the next year completely accurately. Therefore the charges tenants pay in a year will either over-recover or under-recover the costs.
- 6.2 This is mitigated by adjusting charges for one third of any over-recover or under-recovery in previous years. This ensures that over time what tenants pay will meet the costs of heating, water and lighting.

7. Alternative Options Considered

- 7.1 If any proposed charges are thought to be unaffordable for tenants, charges could be set at any level between no increase and the proposed charges, with the understanding that this means that the shortfall will either be funded from the rents of all tenants, the majority of whom will also be paying their own electricity and gas costs directly, or recovered from charges in future years when some flats may be occupied by new tenants who have not benefited from the reduced charges.
- 7.2 For those Heating/Lighting and water charges which have been set below the level necessary to recover the full cost, a higher charge could be set to better reflect the costs. For instance, at Tannery Court, tenants could be charged a further £3.82 per week (£198.64 per year). However, this would be above 1% of rent, which is the agreed maximum increase (as per paragraph 3.4).
- 7.3 Charges could be set above the real costs of recovery. This would mean tenants of these schemes would have no choice but to pay above the real cost of these utilities, as the communal nature of these services means they cannot choose their own energy suppliers. This would not be fair.

8. Background

- 8.1 Costs for electricity, gas, water and laundry facilities provided at some housing schemes are recovered as a weekly charge.
- 8.2 These utility charges are not eligible for Housing Benefit.
- 8.3 Tenants are notified of these charges at the same time as the annual rent increase.
- 8.4 The gas and electricity used to deliver communal heating and lighting is supplied under the provisions of the Council's energy supply contracts.
- 8.5 Photovoltaic cells (solar panels) were installed on James Court, Tannery Court and Yeomanry Court in April 2012. The electricity generated reduces consumption from the national grid.
- 8.6 A biomass heating system has been installed in Tannery Court, providing environmental benefits of using a more sustainable fuel. The capital cost of installation was partly repaid by the Government's Renewable Heat Incentive scheme.

Heating, Lighting and Miscellaneous Charges


It is recommended that from 2nd April 2018 charges covering heating, lighting and miscellaneous charges should be varied as follows:

Heating, Lighting and Miscellaneous Charges	Current Charge per Week 2017/18 £	Charge To Fully Recover Costs 2018/19 £	Proposed Charge per Week 2018/19 £	Proposed Increase/ (Decrease) per Week 2018/19 £	Proposed Change 2018/19 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa					
Nos. 1 - 12, 14 - 41	£11.60	£10.25	£10.25	-£1.35	-11.6%
Nos. 43, 44, 46 and 47 (Misc. Charge only)	£0.60	£0.60	£0.60	+£0.00	+0.0%
Tannery Court, Bertie Road, Kenilworth					
Nos. 1, 2, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£8.35	£13.40	£9.58	+£1.23	+14.7%
No. 3	£12.25	£19.80	£13.48	+£1.23	+10.0%
Yeomanry Close, Priory Road, Warwick					
Nos. 1 - 12, 14 - 32	£9.15	£9.56	£9.56	£0.41	4.5%
James Court, Weston Close, Warwick					
Nos. 1 - 12, 14 - 26	£10.35	£8.35	£8.35	-£2.00	-19.3%
Chandos Court, Chandos Street, Royal Leamington Spa					
Nos. 1 - 12, 11a, 25a, 14 - 46	£11.20	£10.15	£10.15	- £1.05	-9.4%
Radcliffe Gardens, Brunswick Street, Royal Leamington Spa					
Bedsits and 1 bedroom flats	£7.80	£7.38	£7.38	-£0.42	-5.4%
2 bedroom flats	£11.62	£11.44	£11.44	-£0.18	-1.6%

Water Charges

It is recommended that from 2nd April 2018 water charges should be varied as follows:

Water Charges	Current Charge per Week 2017/18 £	Proposed Charge per Week 2018/19 £	Proposed Increase/ (Decrease) per Week 2018/19 £	Proposed Change 2018/19 %
Acorn Court, Stockton Grove, Lillington, Royal Leamington Spa				
Nos. 1 - 12, 14 - 41, 43 - 47	£3.95	£4.30	+£0.35	+8.8%
Tannery Court, Bertie Road, Kenilworth				
Nos. 1, 2, 3, 4 - 6, 7a, 8 - 12, 22a, 14 - 40	£4.20	£3.85	-£0.35	-8.3%
Yeomanry Close, Priory Road, Warwick				
Nos. 1 - 12, 14 - 32, 33 and 34	£2.65	£2.80	+£0.15	+5.6%
James Court, Weston Close, Warwick				
Nos. 1 - 12, 14 - 28	£2.90	£2.90	+£0.00	+0.0%
Chandos Court, Chandos Street, Royal Leamington Spa				
Nos. 1 - 12, 11a, 25a, 14 - 46, 47	£3.30	£3.30	+£0.00	+0.0%

 Executive Committee 7 February 2018		Agenda Item No. 7
Title	Creation of additional car parking provision in Leamington	
For further information about this report please contact	Paul Garrison 01926 456333 paul.garrison@warwickdc.gov.uk	
Wards of the District directly affected	Clarendon and Brunswick	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	Reports to Planning Committee 9 th January 2018: W/17/1700 Covent Garden Multi-Storey Car park, Russell Street, Leamington Spa; W/17/1701 Riverside House, Milverton Hill, Leamington Hill; and accompanying documents Car Park Strategy report, Executive 28 th June 2017; Car Park Strategy working papers including Leamington Car Park User Survey 31/10/17; Multi-storey car park survey report – update, Executive 29/06/16; Council HQ Relocation and replacement of Covent Garden car park project parts A and B, Executive 20/04/16	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes – Ref 844
Equality Impact Assessment Undertaken	No
This will be relevant at the level of each individual project's implementation.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief /Deputy Chief Executive	18/1/18	Bill Hunt
Head of Service	18/1/18	Rob Hoof
CMT	18/1/18	Chris Elliott, Andrew Jones, Bill Hunt
Section 151 Officer	18/1/18	Mike Snow
Monitoring Officer	18/1/18	Andrew Jones
Finance	18/1/18	Mike Snow

Portfolio Holder(s)	19/1/18	Cllr. Mrs. Grainger
Consultation & Community Engagement		
Users of the car parks in Leamington Spa have been consulted on the closure of Covent Garden through a public survey.		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
Consultation on the revised tariff proposals will be undertaken as part of the annual fees and charges consultation process for car park charges.		

1. Summary

- 1.1 The Planning Committee of 9th January 2018 approved the linked planning applications for the Covent Garden and Riverside House elements of the HQ relocation project, subject to the finalisation of Section 106 (s106) Agreements for both sites. The conditional approval for the Covent Garden application requires the applicant to submit a car park displacement strategy for the period between closure of the existing car parks and the opening of the new multi-storey car park. The applicant's proposals require the consent of the Council regarding car parks within their control.
- 1.2 This report seeks the necessary consents to allow the s106 agreement to be finalised and also brings forward a series of proposals for new car parking provision, predominantly on Council owned land, which will be in addition to the applicant's proposals.

2. Recommendations

- 2.1 That Executive notes that the Planning Committee of 9 January 2018 agreed that a car park displacement strategy, covering the period between the closure of the existing Covent Garden car parks, currently providing 468 car parking spaces and the opening of the new 617 space multi-storey car park, would be a required clause within the s106 agreement required for planning consent for W/17/1700 planning application for the Covent Garden site (see paragraph 3.1.2) and, to allow the applicant to finalise an appropriate agreement with the Local Planning Authority agrees to:
- Grant permission for the applicant to submit a planning application for the use of the existing Riverside House car park as public car parking at weekends, throughout the closure period and;
 - Recommend to Full Council that consultation on changes to the current ticketing and payment system at the Council owned St. Peter's multi-storey car park, based on the proposals set out at Appendix One, is included within the annual consultation for car parking fees and charges to enable these to be implemented at the point, later within the financial year 2018/19 that the existing Covent Garden car parks are closed.
- 2.2 That Executive delegates authority to the Head of Neighbourhood Services in consultation with the Neighbourhood Portfolio Holder to submit any necessary planning and/or other consent applications to allow additional car parking provision to be created and operated at the following locations in Leamington, as shown at Appendix Three, in order to support the needs of the town centre, during the period that the Covent Garden car parks are closed:
- c.80 permanent surface car parking spaces at Christchurch Gardens;
 - c.50 permanent surface car parking spaces at Princes Drive;
 - c.37 permanent surface car parking spaces at Archery Road;
 - c.40 temporary surface car parking spaces at Court Street;
 - a further c.40 temporary surface car parking spaces at Court Street, subject to agreement of private and confidential item 18 elsewhere on this agenda.
- 2.3 That Executive notes that the indicative capital costs of providing the additional car parking at the locations listed in recommendation 2.2 is £770,000 and that these costs should be funded from the Car Park Displacement Reserve subject agreement of the 2018/19 General Fund Budget and Council Tax report elsewhere on this agenda.
- 2.4 That, subject to approval of recommendation 2.2, Executive delegates authority to the Heads of Finance and Neighbourhood Services, in consultation

with their respective Portfolio Holders, to draw down funding from the Car Park Displacement Reserve to deliver the development of the new car parking provision at the sites listed in 2.2 subject to the necessary consents having been obtained.

- 2.5 That, subject to approval of recommendation 2.2 Executive recommends to Full Council that consultation on the proposed charging schedules for the new car parking provision, as set out in Appendix Two, is included within the annual consultation for car parking fees and charges to allow implementation for that part of the financial year 2018/19 when the new provision would become available.
- 2.6 That, subject to approval of recommendations 2.2, Executive agrees to the future release of monies from the Car Park Displacement Reserve and the Covent Garden Multi Storey Car Park Reserve to fund the estimated £545k net revenue cost of the displacement period, as set out at paragraph 5.9 and that this is reflected in the Medium Term Financial Strategy in the future and within the 2019/20 and 2020/21 Budgets.

3. Reasons for the Recommendations

3.1 Recommendation 2.1

- 3.1.1 Two linked planning applications were submitted by PSP Warwick LLP (LLP), the joint venture vehicle that this Council has established with its private sector partner, Public Sector Plc, for the redevelopment of the site of the current Covent Garden surface and multi-storey car parks (application W/17/1700) for new HQ offices for the Council, a new multi-storey car park and 44 apartments and for the subsequent redevelopment of the Riverside House site for up to 170 new homes (application W/17/1701).
- 3.1.2 The two applications were approved by Planning Committee on 9th January 2018, subject to the agreement of s106 Agreements for both applications. The applicant's offer of a Car Park Displacement Strategy, in respect of application W/17/1700 was accepted by Planning Committee and agreement of this strategy will be a requirement of the s106 agreement for the Covent Garden site. This strategy would cover the period between closure of the existing car parks, projected to be in the last quarter of 2018/19 to avoid the 2018 Christmas shopping period and the opening of the new multi-storey car park, projected to be during the third quarter of 2020/21 in time for the 2020 Christmas period. The loss of car parking at Covent Garden is, therefore, projected to only to cover a single Christmas/New Year period; 2019/20.
- 3.1.3 In developing their proposed strategy the LLP has approached the Council for permission to submit a planning application to allow the Riverside House car park to be used for public car parking at weekends. Having trialled public car parking at this site, on a temporary basis in the lead up to Christmas 2017 officers are happy that, subject to the LLP bearing the cost of on and off-site enhancements to pedestrian access and signage within the car park and on the route to the town centre the proposal is viable and should be supported in order to facilitate the applicant's proposed Car Park Displacement Strategy.
- 3.1.4 The applicant is also likely to agree increased prioritisation of short stay car parking within the town centre as part of the s106 Agreement. It is, therefore, also recommended that consultation on changes to the ticketing and payment system at the St. Peter's car park to enable short stay parking to be prioritised,

based on the proposals set out at Appendix One, is included as part of the annual consultation process on revised fees and charges for Council owned car parks, to provide certainty to the applicant and the Local Planning Authority that the proposed changes can form part of strategy that will be included within the s106 agreement.

3.1.5 The consultation for setting the 2019 Off-Street Car Parking Orders will commence in July 2018 allowing the new orders to be approved by this Council through the normal Car Parking fees and charges process and subsequently by the County Council to allow revised tariffs to be introduced from 1 January 2019. However, members should note that, subject to the approval of the 2019 Off-Street Parking Orders, whilst the proposed revised charges for the St. Peter's car park would be implemented from 1 January 2019 the proposed changes to allocate the lower floors for short stay parking only, as set out In Appendix One would only be implemented at the point that the displacement strategy was required, i.e. the point at which the Covent Garden car parks actually close.

3.2 Recommendation 2.2

3.2.1 Although the LLP's proposed Car Park Displacement Strategy is likely to be acceptable in terms of the Local Planning Authority agreeing that the s106 Agreement requirement, it is anticipated that there would still be an under provision of parking capacity during peak demand periods. The detailed analysis completed by the LLP as part of the planning application process indicates a shortfall of c.297 car parking spaces compared to current provision at the 1pm weekday demand peak and of c.152 spaces at the weekend peak, during the implementation of their proposals.

3.2.2 These figures will reduce to c.197 on weekdays and c.52 at weekends when the 100 space Council owned car parks at Station Approach re-open in 2019, in time for the 2019/20 Christmas/New Year period, the one peak period when the Covent Garden car parks are closed.

3.2.3 However, despite the Station Approach car parking becoming operational during the Covent Garden closure period it is recommended that the Council creates new car parking provision to support the needs of the town centre and minimise any adverse economic impacts while the new multi-storey car park is being built.

3.2.4 The proposals set out in recommendation 2.2 provide for an additional c.247 off-street car parking places which, subject to approval would:

- reduce the projected weekday peak shortfall to c.50 spaces during the period between the proposed Covent Garden closure in early 2019 and the re-opening of the new Station Approach car parking in late 2019
- create additional town centre car parking capacity of c.50 spaces at the current weekday demand peak from late 2019 until the new multi-storey car park opens in late 2020
- create additional town centre car parking capacity of c.95 spaces at the current weekend demand peak when the Covent Garden car parks close, rising to an additional c.195 spaces when the new Station Approach car parking becomes available.

3.2.5 Site plans of the proposed locations of the new car parking are set out at Appendix Three and details of the proposed work at each site are set out at Appendix Four. Preliminary discussions with the Planning and Highway

Authorities and the Cultural Services team indicate that all the proposed locations are viable, although detailed planning applications will be required.

- 3.2.6 Members should also note that the existing tennis courts at Christchurch Gardens are in poor condition. Modern, good quality provision already exists at Victoria Park, with sufficient capacity to absorb any additional demand transferred from Christchurch Gardens so provision of an alternative use of the site is a more cost-effective option than replacement of the existing courts.
- 3.2.7 Subject to approval of recommendation 2.2 the detailed work required to prepare and obtain the necessary planning permissions and any other necessary consents and to undertake the necessary works would be undertaken with the aim of ensuring the new provision would be available before the Covent Garden car parks are closed.
- 3.2.8 Members should note that, subject to the approval of recommendation 2.2, it would be proposed that the new off-street surface car parking provision created at Christchurch Gardens, Archery Road and Princes Drive would be retained on a permanent basis. This additional provision of 167 spaces, along with the new 617 space multi-storey car park at Covent Garden would therefore be available to meet future parking demand growth forecasts and be built into the Council's emerging Car Park Strategy.
- 3.2.9 However, it is proposed that any additional provision created at Court Street would be a temporary measure provided during the period that the Covent Garden car parks are closed, allowing the Council to review future options for these sites when the new multi-storey car park opens to ensure that opportunities to support the development of the Creative Quarter for Leamington are maximised.
- 3.2.10 Members will wish to note that as detailed plans are developed for each site, as set out in 3.4.1 the potential to provide electric vehicle recharging points at the proposed new locations will be considered, particularly at those sites intended to be retained for permanent car parking provision at the end of the temporary displacement period.

3.3 Recommendation 2.3

- 3.3.1 A proposal within the General Fund budget report, elsewhere on the agenda recommends allocating a proportion of the 2018/19 New Homes Bonus allocation that the Council will receive into the Car Park Displacement Reserve.
- 3.3.2 The indicative capital costs of delivering the new car parking provision at the proposed sites is £770,000 (excluding the cost of acquiring the Stoneleigh Arms site which is considered in a separate report elsewhere on the agenda) and, subject to approval of the Budget report and recommendation 2.2 of this report, it is proposed that these costs would be met from the Car Park Displacement Reserve.

3.4 Recommendation 2.4

- 3.4.1 It is recommended that, subject to approval of recommendation 2.2, authority is delegated to the Heads of Finance and Neighbourhood Services to develop the proposals for each site and establish firm costings to deliver the proposals, in consultation with their respective Portfolio Holders. Resource to support this work is available through the Project Manager - Car Parks post within

Neighbourhood Services. The use of delegated powers will ensure that the approved works can be delivered within the timescales required, i.e. before the closure of the Covent Garden car parks.

- 3.4.2 Any variances from the indicative cost will be reported to members through the normal budget reporting process or, if significant and unable to be contained within the unallocated funding within the Car Park Displacement Reserve by a special report to Executive.
- 3.4.3 Public consultation on the closure of the Covent Garden car park has already taken place as part of the Leamington car park user survey undertaken to inform the development of the draft Car Parking Strategy and additional dialogue has been held with town centre stakeholders on potential displacement options during the closure period. However, the proposals set out in this report are new options and, subject to approval of recommendation 2.2, it is proposed that a Development Review Forum will be arranged to allow them to be examined further as they are developed. It is anticipated that planning applications will be required for each of the proposed sites and these will be subject to an appropriate public consultation process for each application.
- 3.5 Recommendation 2.5
 - 3.5.1 Proposed charges for the new car parks are set out at Appendix Two. Subject to approval of recommendation 2.2 it is proposed that consultation on these charges is included as part of the annual consultation process on revised fees and charges for Council owned car parks on the timetable described in 3.1.5. However, members should note that, subject to the approval of the 2019 Off-Street Parking Orders, the proposed charges for the new car parking provision would only be implemented at the point that each site became operational.
- 3.6 Recommendation 2.6
 - 3.6.1 Taking into account the net income loss of £770k for the period that the Covent Garden site is unavailable for parking (paragraph 5.6), and the additional income of £225k that would be generated from the sites set out in recommendation 2.2 (paragraph 5.7), the net revenue costs amount to £545k for the closure period. This revenue shortfall can be funded from the balance on the Car Park Displacement Reserve and the sums allocated towards displacement costs within the Covent Garden Multi Storey Car Park Reserve, as set out in paragraph 5.9. This would be reflected in the Council's Medium Term Financial Strategy and in, due course within the 2019/20 and 2020/21 budgets.

4. Policy Framework

4.1 Fit for the Future (FFF)

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several key corporate projects, including the HQ relocation project. The proposals within this report assist the delivery of that key project.
- 4.1.2 The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Part of the proposed approach would result in the loss of sports facilities at Christchurch Gardens. However, these facilities are old and in need of considerable investment and the availability of modern provision at Victoria Park offsets the loss.	The proposal will support local residents and visitors to access one of our destination parks through provision of additional parking capacity in the short and long-term. The new off-street provision will provide safe and secure car parking for residents, businesses and visitors	The proposals will mitigate the potential adverse impacts of the temporary closure of Covent Garden car parks during the period when a larger modern multi-storey car park is being developed, ensuring the needs of the town centre and the businesses it supports are addressed. The proposals also have the capacity to create additional car parking provision to meet longer term growth forecasts. The proposed retention as permanent car parking of some of the proposals will support the local economy by providing additional parking for shoppers and commuters.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The proposals will offer officers the opportunity	The proposals develop additional parking in the	The proposals will assist the Council to generate

to work with stakeholders to deliver a successful scheme helping the Council's aim of working in partnership with the community.	short and long-term at strategic locations that help to meet the needs and requirements of our customers.	additional car parking revenue beyond the end of the displacement period. They also directly assist the delivery of the relocation project which will deliver over £300,000 per annum in revenue savings, a figure already built into the Medium Term Financial Strategy.
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4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained below. The potential impact of these strategies on the proposed sites set out in recommendation 2.2 will be examined further as the detailed planning for the delivery of each site is undertaken.

Local Plan

4.2.1 The Council has an agreed a strategy statement "The future and sustainable prosperity for Warwick District" which amongst other things seeks to:

- Support the growth of the local economy; and
- Maintain and promote thriving town centres.

4.2.2 Policy DS11 of the Local Plan has the proposed car park site for Court Street allocated for housing development and associated infrastructure and uses. As a consequence the proposal for development of parking on this site will be for temporary usage.

4.2.3 Policy HS2 of the Local Plan states that 'Development on, or change of use of open spaces and sport and recreation facilities will not be permitted unless an alternative can be provided or there is a robust assessment demonstrating the lack of need for the asset'
With regards to the proposal to develop parking on the site of the tennis courts at Christchurch Gardens, Cultural Services have indicated that the current provision at Victoria Park would be able to absorb any additional demand in the event of the Beauchamp Square Gardens courts no longer being available. Officers are also currently considering further investments in the tennis provision at Victoria Park Tennis which would increase the capacity of this provision.

Draft Car Park Strategy 2018-2028

4.2.4 Key Principle 1 states that Warwick District Council will ensure sufficient car park capacity across Warwick District to meet the current and future demand for parking. The approval of the proposed displacement parking options supports this principle.

- 4.2.5 Key Principle 3 states that Warwick District Council will ensure sufficient car parking to support Warwick District Council's key facilities and premises. The proposals to develop parking at Princes Drive and Archery Road support this principle in the long-term as the parking will improve accessibility for users of Victoria Park.

5. **Budgetary Framework**

- 5.1 The capital costs associated with the change of use of the Riverside House car park for public car parking at weekends would be borne by the LLP.
- 5.2 Within the 'HQ Relocation and Replacement of Covent Garden Car Park Project' Executive report of April 2016, a figure of £423k was calculated as the potential loss of net income over the anticipated 18 month closure period for the Covent Garden car parks. Subsequently, following approval of the recommendations in the 2015/16 Final Accounts report, £900k was allocated to a new Covent Garden Multi Storey Car Park Reserve. This was to cover the projected £423k income shortfall with the balance being made available for the initial debt charges.
- 5.3 In the November 2017 Base Budget report, £100k was allocated to a new Car Park Displacement Reserve. The General Fund Budget report on this agenda proposes a further £800k is allocated to this reserve from 2018/19 New Homes Bonus allocation, bringing the total balance in this reserve to £900k.
- 5.4 Taking into account the available funding in both these reserves, as referred to in paragraphs 5.2 and 5.3 the Council will have set aside £1.323m towards car parking displacement costs.
- 5.5 The indicative capital costs of implementing the proposals in recommendation 2.2 are £770,000. This estimate will be rigorously examined through further feasibility work, as explained in paragraph 3.4.1. It is anticipated that these costs would be met from the Car Park Displacement Reserve, which would leave a balance of £130k.
- 5.6 It is estimated that the closure of Covent Garden for redevelopment will result in loss of income of c. £770K over the forecast duration of the redevelopment of the site.
- 5.7 It is also estimated that the additional car parks proposed under recommendation 2.2 could generate at total of c.£150K income per annum, equating to c.225k for the duration of the redevelopment.
- 5.8 The figures within paragraphs 5.7 and 5.8 do not reflect savings in running costs for Covent Garden and the consequent running costs for the new car parks. Initial estimates suggest there may be a small net saving here which has not been factored into the figures at this stage. This will be worked up in more detail and included within future Budget reports. Likewise the figures do not factor in any new income from the new Station Approach car park which is scheduled to open in Autumn 2019. This too will be reflected in future budget reports.
- 5.9 Taking into account the income loss figure of £770k in paragraph 5.6 and the additional income figure of £225k in paragraph 5.7, the net revenue cost for the displacement period amounts to c. £545k. This revenue shortfall can be funded from drawing down the balance on the Car Park Displacement Reserve (£130k

after the capital works, as per paragraph 5.5) and the £423k allocation towards displacement costs within the Covent Garden Multi Storey Car Park Reserve (as per paragraph 5.2).

6. Risks

- 6.1 Development on each of sites proposed at 2.2 will require further planning permission. If permission for development at any of the proposed sites is not granted there will be a shortfall in parking provision for Leamington town centre at peak periods during the redevelopment period.

7. Alternative Option(s) considered

- 7.1 An alternative option is to do nothing in addition to car park displacement strategy being offered by the LLP. However, although the LLP's proposed Car Park Displacement Strategy is likely to be acceptable in terms of the Local Planning Authority agreeing the s106 Agreement requirement, it is anticipated that there would still be an under provision of parking capacity during peak demand periods. As such this option has been discounted as it would not support the Council's objective to support thriving town centres.
- 7.2 A range of alternative sites were considered but ultimately discounted due to planning constraints or viability and/or operational issues. These discounted sites were:
- Champion Hills
 - Victoria Park
 - Station Approach
 - Chiltern Railways Leamington Station Car Park, Old Warwick Road
 - Morrison's Car Park, Old Warwick Road
 - Newbold Comyn
 - Newbold Terrace East
 - Pump Room Gardens
 - Portobello site, off Rugby Road
 - Edmonscote Field
 - Site of the former Ford Foundry car park
 - Chandos Street
- 7.3 The reasons why each site was, after careful consideration ultimately discounted are set out at Appendix Five.

Proposed changes to ticketing and payment arrangements at St. Peters Car Park

To facilitate the agreement of an appropriate Car Park Displacement Strategy (CPDS) for inclusion within the s106 Agreement for the Covent Garden planning approval it is proposed that the payment system at the St. Peter's multi-storey car park is changed from Pay on Foot to a Pay and Display. .

The proposed change would allow short stay parking to be prioritised with the parking bays on the lower four decks of the car park designated for a maximum length of stay of 4 hours. However, the remaining six parking decks would have no time restrictions and could be used for short stay, long stay, including all day and/or overnight parking as currently. The 4 hour designation is consistent with the short stay car parking designation used elsewhere in the town centre. However, the proportion of long and short stay spaces may need to change during the period when the Covent Garden site is being developed, in accordance with the agreed CPDS so flexibility will be required to potentially alter the designations on particular decks during the displacement period.

The proposed change would mean that entrance and exit to the car park will not be barrier controlled for the period of the redevelopment and that, rather than paying for their stay on departure, users will instead need to purchase a ticket after they have parked for a period appropriate to the length of their stay and display this on their vehicle.

Enforcement of the new Pay and Display arrangements would be managed through existing resources within the Council's Ranger Service.

The proposed tariff structure would be based on a linear charge of 10p per 6 minutes that is used throughout Leamington town centre, other than for the all day and overnight tariffs, although there would be a minimum charge of 50p:

	Up to 30 mins	1 hour	2 hours	3 hours	4 hours	All Day	Over night
ST. PETERS CAR PARK	£0.50	£1.00	£2.00	£3.00	£4.00	£4.50	£1.00

Proposed Fees and Charges changes for car parking provision at the proposed new sites:

	Up to 30 mins	1 hour	2 hours	3 hours	4 hours	All Day	Over night
CHRISTCHURCH GARDENS	£0.50	£1.00	£2.00	£3.00	£4.00	£4.50	£1.00
COURT STREET	£0.30	£0.50	£1.00	£1.50	£2.00	£4.50	£1.00
ARCHERY ROAD	Free	Free	Free	Free	£1.00	£1.00	£1.00
PRINCES DRIVE	Free	Free	Free	Free	£1.00	£1.00	£1.00
STATION APPROACH	£0.30	£0.50	£1.00	£1.50	£2.00	£4.50	£1.00

NB Station Approach is not one of the sites covered in the proposals set out at recommendation 2.2 but is included here for completeness.

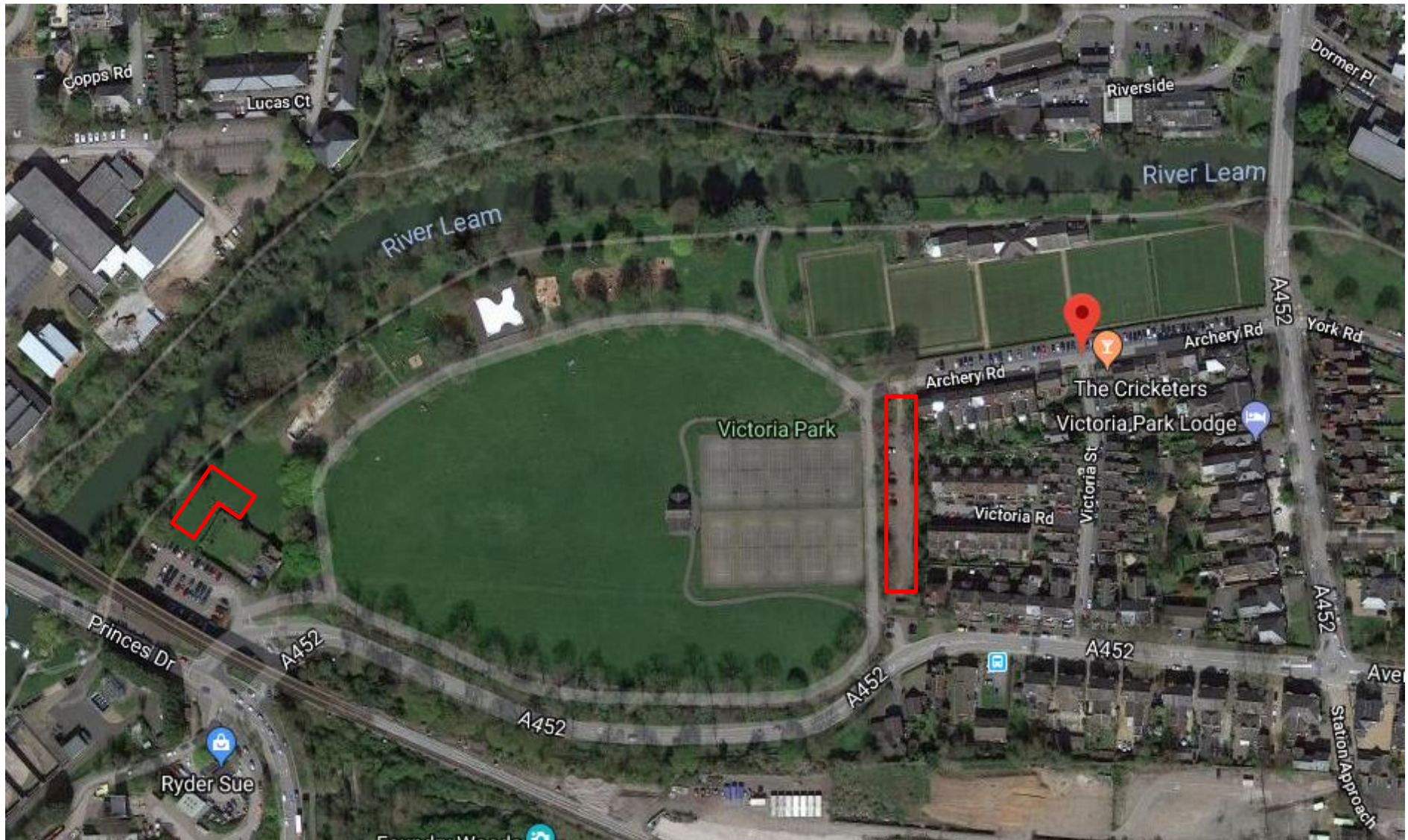
Christchurch Gardens



Court Street Car Park Site



Princes Drive and Archery Road Sites



New Car parking Provision Proposals

Description of Works

Riverside House

It is proposed that Riverside House car park will be opened at weekends during the period of redevelopment for pay and display public parking to provide c. 260 spaces.

Planned works associated with this proposal are as follows;

- Installation of new signage
- Installation of CCTV
- Installation of a parking meter
- Remarking of parking bays

Christchurch Gardens

It is proposed that the tennis courts at Christchurch Gardens, Leamington Spa will be redeveloped to provide a new permanent public pay and display surface car park offering c. 80 parking spaces.

Planned works associated with this proposal are as follows;

- Resurfacing and remarking of the existing courts
- The development of entrance and exit points from Beauchamp Road
- Installation of CCTV
- Installation of a parking meter
- Installation of lighting
- Installation of fencing around the perimeter of the car park
- Installation of new signage

Court Street

It is proposed that land adjacent to the existing surface car park at Court Street is developed to provide c. 80 new parking spaces to be operated as temporary pay and display public parking.

Planned works associated with this proposal are as follows;

- Demolition, clearance and surfacing the former garage/tyre store
- Purchase, clearance and surfacing of the former garden of Stoneleigh Arms pub
- Remarking of the parking bays throughout the car park

- Installation of CCTV
- Installation of a parking meter
- Installation of lighting
- Installation of additional fencing and landscaping
- Installation of new signage

Princes Drive

It is proposed that a new permanent public surface car park is developed adjacent on Victoria Park adjacent to the existing surface car park at Princes Drive for c. 50 cars.

Planned works associated with this proposal are as follows;

- Development of lined, tarmac car parking
- Installation of a barrier and fencing to restrict access and contain parking
- Installation of CCTV
- Installation of lighting
- Installation of a parking meter
- Installation of new signage

Additional works associated with this proposal includes the installation of lighting in Victoria Park and the existing Princes Drive car park to create an all-weather parking scheme with a lit, pedestrian connection adjoining Princes Drive and Adelaide Road or Archery Road.

Archery Road

It is proposed that the existing informal car park on the site of the old tennis courts at the bottom of Archery Road (adjacent to Victoria Park) is converted into a permanent pay and display public car park creating new c. 37 space car park

Planned works associated with this proposal are as follows;

- Resurfacing of existing car park and marking of car park bays
- Installation of CCTV
- Installation of lighting
- Installation of a parking meter
- Installation of new signage

APPENDIX 5

Discounted Sites

Site Name	Description	Pros	Constraints	Reason for Discounting Site
Campion Hills	Development of a 165 spaces Park and Ride facility for public use	<ul style="list-style-type: none">• Site is reasonably located for a range of users wanting to access Leamington town centre access.	<ul style="list-style-type: none">• Distance from town centre would require a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride.• High revenue costs for operating Park and Ride service• Site is within the Green Belt.	The option was considered too high a risk to justify the necessary investment. The location of the site requires a Park and Ride facility and the results of the Car Park users survey raised significant concerns that displaced users may not use this facility.
Victoria Park central grassed area	Provision of public car parking for c.150 cars for the duration of the displacement period. Bowls	<ul style="list-style-type: none">• Site is reasonably located for pedestrian access into Leamington town centre.	<ul style="list-style-type: none">• This area is currently used for temporary parking during August for visitors to the National Bowls Championships and no alternative provision would be available to meet	This option was discounted as there are considered to be better value options for parking development and because of the need to retain a site for temporary parking during the National Bowls Championships.

			<p>this demand.</p> <ul style="list-style-type: none"> • Local Plan Policy HS2 of the Local Plan applies – development/change of use of open spaces and sports facilities will not be permitted unless: <ul style="list-style-type: none"> a) And alternative can be provided in terms of size, quality, accessibility, usefulness and attractiveness. b) There is a robust assessment demonstrating a lack of need for the asset currently or in the future. • Local Plan policy NE1 also applies – The Council will protect, restore and enhance green infrastructure assets and strive for a healthy integrated network for the benefit of nature, 	
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			<p>people, and the economy.</p> <ul style="list-style-type: none"> • High development and operating costs due to need to make it an all-weather option if anything other than temporary parking for a month were to be provided 	
Chiltern Railway new car park off Old Warwick Road	Substantial private parking area with access into town by foot.	<ul style="list-style-type: none"> • No development costs. 	<ul style="list-style-type: none"> • Privately owned. • Expensive parking rates. • Long walk for town centre. • Chiltern's parking strategy is to supply parking for their customers first. However it is a public car park at premium parking rates so could be utilised by town centre users should they wish. 	The location and charges for parking at site meant it was not considered to be a viable alternative option for displaced town centre users.
Newbold Comyn car park (nearside)	Substantial parking at the end of an already well used commuter parking road.	<ul style="list-style-type: none"> • Low development costs 	<ul style="list-style-type: none"> • Limited capacity due to existing parking demand from leisure centre and pub. • Distance from town centre would require 	The option was considered too high a risk to justify investment. The location of the site would require a Park

			<p>a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride at this the location.</p> <ul style="list-style-type: none"> • Free parking is available on Newbold Terrace East 	<p>and Ride facility and there were similar concerns to Campion Hills that displaced users may not use this facility.</p>
Newbold Comyn car park (farside)	Provision of 165 space car park suitable for all year usage.	<ul style="list-style-type: none"> • Existing hard standing available for Autumn and Winter use 	<ul style="list-style-type: none"> • Seasonal demand for open space means additional parking would need to be developed. • Distance from town centre would require a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride at this the location. • In the Green Belt – NPPF para 90 	<p>The option was considered too high risk to justify investment. The location of the site would require a Park and Ride facility and there were concerns that displaced users may not use this facility.</p>

			suggests that some forms of development “may not be inappropriate in the green belt, provided they preserve the openness of the green belt, and do not conflict with the purposes of the green belt.” This includes (3 rd bullet) “local transport infrastructure which can demonstrate a requirement for a green belt location.”	
Grassed Area adjacent to Newbold Road which runs up to the Leisure Centre (Newbold Terrace East)	A designated nature reserve unsuitable for parking.	<ul style="list-style-type: none"> • Within reasonable walking distance from town centre. 	Unavailable due to protected status.	This site is protected so cannot be developed for parking.
Pump Room Gardens	Prominent Green space area, used in Summer for numerous events. Not considered suitable due to the recent Heritage lottery bid to improve the site.	<ul style="list-style-type: none"> • Well located for town centre 	<ul style="list-style-type: none"> • Key town centre open space which is used for major events • Usage would conflict with the requirements of the 	This site was discounted as it was considered its use would be incompatible with the ongoing HLF funded project to restore and improve

			<p>HLF funding for improvements to the park.</p> <ul style="list-style-type: none"> • In conservation area meaning Policy HS2 of the Local Plan applies – development/change of use of open spaces and sports facilities will not be permitted unless: <ul style="list-style-type: none"> a) And alternative can be provided in terms of size, quality, accessibility, usefulness and attractiveness. b) There is a robust assessment demonstrating a lack of need for the asset currently or in the future. • Local Plan policy NE1 also applies – The Council will protect, restore and enhance green infrastructure 	the park.
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			assets and strive for a healthy integrated network for the benefit of nature, people, and the economy.	
Portobello Site – Off Greville Road	Provision of c 150 parking spaces	<ul style="list-style-type: none"> Existing large open space with limited amenity value 	<ul style="list-style-type: none"> Site is on a flood plain. Distance from town centre would require a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride at this the location. 	The option was considered too high risk to justify investment. The location of the site would require a Park and Ride facility and there are concerns that displaced users may not use this facility.
Fords Foundry	Privately owned site that could provide c 150 parking spaces.	<ul style="list-style-type: none"> Low development costs 	<ul style="list-style-type: none"> Privately owned site Designated for employment use within the Local Plan Site in process of being sold with anticipated early submission of development proposal. 	This site was discounted as the landowner was in the process of selling the site and would not respond to requests for a discussion.

			<ul style="list-style-type: none"> Highway Authority concerns over access 	
Edmonscote Field	Amenity space currently used occasionally throughout the year as overflow parking for the athletics track with capacity to accommodate parking for c. 150 vehicles.	<ul style="list-style-type: none"> Existing amenity space. 	<ul style="list-style-type: none"> Single track access in and out of the site for vehicles. Potential Highway Authority concerns over access from public highway Distance from town centre would require a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride at this the location. 	The option was considered too high risk to justify investment. The location of the site would require a Park and Ride facility and there are concerns that displaced users may not use this facility.
Adelaide Bridge Car Park	Provision of an additional deck to the existing surface car park.	<ul style="list-style-type: none"> Reasonably located for the town centre 	<ul style="list-style-type: none"> High capital cost of providing decking. Currently a low yield car park with no guarantee of return on investment. Located within Flood zone (zones 2 and 3). 	This option was discounted as there are considered to be better value options for parking development available.

			<ul style="list-style-type: none"> Located within a conservation area, and adjacent to listed buildings. 	
Court Street Car Park	Provision of an additional deck to existing surface car park.	<ul style="list-style-type: none"> Reasonably located for long stay users of the town centre 	<ul style="list-style-type: none"> High capital cost of providing decking. Currently a low yield car park with no guarantee of return on investment. Adjacent to Conservation Area Option agreement over the land 	This option was discounted as there are considered to be better value options for parking development available.
Chandos Street Car Park	Provision of an additional deck to existing surface car park.	<ul style="list-style-type: none"> Well located for town centre. High use, high yield site 	<ul style="list-style-type: none"> High capital cost of providing decking. Site covered by Policy TC4 in the Local Plan – to provide a major town centre development proposal including retail and other appropriate main town centre uses. 	This option was discounted as there are considered to be better value options for parking development available..
Morrison's Car Park	Provision of a Park and Ride Service operating from the car park of Morrison's supermarket	<ul style="list-style-type: none"> Minimal development costs No new planning permission 	<ul style="list-style-type: none"> Private owner only prepared to make 30 permits available 	The option was considered too costly given the revenue costs of running a Park and Ride facility which would be

		required		proportionately expensive for the number of users.
Upper Grove Street	Privately owned public use car park of 26 spaces	<ul style="list-style-type: none"> • No development costs. • Currently low cost all day parking. • Well located for commuter use. 	<ul style="list-style-type: none"> • Limited parking capacity. • In private ownership 	This site was discounted as the landowner did not respond to requests to discuss the site.
The Asps Park and Ride	Proposed 500 space public Park and Ride facility located of Europa Way, Leamington	<ul style="list-style-type: none"> • Capacity for a large number of displaced long-stay parking users 	<ul style="list-style-type: none"> • Not anticipated to be completed within the current scheduled closure of Covent Garden car park 	The site was discounted as it was unlikely to be available when required.
Park and Ride on Europa Way	Development of a 400+ Park and Ride on land acquired Europa Way to accommodate long-stay users and staff	<ul style="list-style-type: none"> • Capacity for a large number of displaced long-stay parking users 	<ul style="list-style-type: none"> • High risk investment as might be little used by public. • Potential Highway constraints given proposals to begin dualling of Europa Way which could disrupt a Park and Ride service and discourage usage • Uncertainty over 	The option was considered too high risk to justify investment. The location of the site would require a Park and Ride facility and there are concerns that displaced users may not use this facility.

			timing of land purchase	
Park and Ride from Leamington Rugby Club/Old Leamingtonians Rugby Club	Existing private surface parking from which to operate a Park and Ride schemes	<ul style="list-style-type: none"> Minimal development required 	<ul style="list-style-type: none"> Seasonal fluctuations in availability of parking due to the other use. In privately ownership Distance from town centre would require a Park and Ride service. Due to high capital and revenue costs Park and Ride is considered a risk as there is a lack of certainty over the level of demand for Park and Ride at this the location. 	The option was considered too high risk to justify investment. The location of the site would require a Park and Ride facility and there are concerns that displaced users may not use this facility.
Lease of parking spaces at Warwickshire College (c. 500 spaces in total)	Existing private surface car parking from which to operate a staff/commuter car park	<ul style="list-style-type: none"> Minimal development required 	<ul style="list-style-type: none"> Long walking distance from town centre Owner only likely to able to offer max 50 spaces and number of available spaces likely to fluctuate through the year. 	This option was discounted due to the limited availability and distance from town centre

	EXECUTIVE – 7 FEBRUARY 2018	Agenda Item No. 8
Title <u>Recommendations for the Commissioning of Voluntary and Community Sector services for 2018 – 2021</u>		
For further information about this report please contact	Liz Young Liz.young@warwickdc.gov.uk 01926 456019 Marianne Rolfe Marianne.rolfe@warwickdc.gov.uk 01926 456700 Andrew Jones Andrew.jones@warwickdc.gov.uk 01926 456114	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive – 08 March 2017 Item 08: Community Forum and VCS Spending Review Minute 105	
Background Papers		

Contrary to the policy framework	No
Contrary to the budgetary framework	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes Ref 884
Equality Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	22/01/18	Andrew Jones
Head of Service	11/01/18	Marianne Rolfe
CMT	16/01/18	
Section 151 Officer	11/01/18	Mike Snow
Monitoring Officer	11/01/18	Andrew Jones
Finance	11/01/18	Mike Snow
Portfolio Holder(s)	23/01/18	Councillor Andrew Thompson

Consultation & Community Engagement				
<p>A programme of direct consultation with various stakeholders has taken place:</p> <ol style="list-style-type: none">1. Current Contract Holders (4th September 2017)2. WDC Managers Forum (7th September)3. Third Sector network event (12th September)4. WDC Elected Member VCS Commissioning and Grants Panel (2 meetings – 19th September and 13th December)5. Partner agencies (26th September)6. WDC/WCC Joint Member Seminar (2nd October)7. WDC Financial Inclusion and Housing Officers (17th October)8. WDC Senior Planning Officer (23rd October)9. SMT (25th October)10. Pre-market engagement event prior to release of invitation to tender (26th October)11. WDC Head of Housing (20th November). <p>The specific proposals contained in this report were presented to the Council's VCS COMMISSIONING AND GRANTS PANEL on 13th December and were approved for presentation to Council Executive.</p>				
<table border="1"><tr><td>Final Decision?</td><td>Yes</td></tr><tr><td colspan="2">Suggested next steps (if not final decision please set out below)</td></tr></table>	Final Decision?	Yes	Suggested next steps (if not final decision please set out below)	
Final Decision?	Yes			
Suggested next steps (if not final decision please set out below)				

1. **Summary**

The purpose of the report is to:

Describe the proposed changes to the community grants held within the Health and Community Protection budget and the Voluntary and Community Sector (VCS) commissioned services programme that will take effect in 2018/19.

2. **Recommendations**

- 2.1 That Executive agrees the proposals for funding community support services as depicted in Appendix 1 (financial spreadsheet);
- 2.2 That Executive agrees to maintain the level of funding over the life of contracts as depicted in Appendix 1;
- 2.3 That Executive agrees the commissioning priorities as outlined in this report upon which the detailed specifications for each lot will be developed as depicted in Appendix 2 (service templates).

3. **Reasons for the Recommendations**

3.1 **That Executive agrees the proposals for funding community support services as depicted in Appendix 1 (financial spreadsheet)**

3.1.1 Funding to continue community support services has been agreed with a full year annual reduction of £50k, when compared to 2017/18, factored into the Council's financial planning. A comprehensive review process has resulted in a reallocation of funding that achieves the necessary savings, as described in Section 5 of this report and Appendix 1.

3.1.2 In summary, the proposed savings have been made by:

- Deleting a Small Grants scheme that is undersubscribed;
- Reducing the annual allocation to the Community Forum grants, which are not always deployed to meet the Council's priorities and for which other funds are available;
- Reducing the funds spent on infrastructure support;
- Reducing funding over Years 2 and 3 to be spent on social and financial inclusion services.

3.2 **That Executive agrees to maintain the level of funding over the life of contracts as depicted in Appendix 1**

3.2.1 It is proposed that the next commissioning round and the decisions that support it will last for a three-year period. For commissioned services, this means that contracts will be awarded for a 2 year 9 month period from 2018 – 2021, so the Council will need to commit to the funding levels that are to be enshrined in those contracts.

3.2.2 The in-year totals for each service and grant are absolute, so service providers/grant applicants will need to absorb price rises caused by inflation.

3.3 That Executive agrees the commissioning priorities as outlined in this report upon which the detailed specifications for each lot will be developed.

- 3.3.1 A comprehensive process of review, including extensive stakeholder consultation has been used to produce the proposed commissioning priorities detailed in Appendix 2.
- 3.3.2 The existing programme of services remains broadly intact but has increased emphasis on achieving positive measurable outcomes that will make it easier to understand the benefit of each intervention to the recipient and the return on investment for the Council.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end, amongst other things, the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands: People, Services and Money – and each has an external and internal element to it. The table below illustrates the impact of this proposal, if any, in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impact of Proposals		
The recommendations seek to deliver interventions that will have a positive impact on health, homes and communities	The recommendations seek to deliver interventions that will have a positive impact on our environment	The recommendations seek to deliver interventions that will have a positive impact on our local economy
Internal		
Effective Staff	Maintain or Improve	Firm Financial Footing

	Services	over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impact of Proposals		
The recommendations seek to deliver interventions that will improve the effectiveness of our staff.	The recommendations seek to target services in the correct manner to ensure that they are fit for the future demands of those who live, work and visit.	The recommendations seek to ensure services are delivered to budget and help keep the Council on a firm financial footing.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting approaches; the relevant ones for this proposal include Health and Wellbeing and Sustainability. The proposals are in line with the Council's approaches and seek to underpin the Council's commitment as outlined in the FFF.

4.3 Changes to Existing Policies

There are no proposed changes to existing policies.

4.4 Impact Assessments

An Equality Impact Assessment has been undertaken and no negative impacts have been identified.

5. Budgetary Framework

- 5.1 The proposals achieve the required savings of £37.5K in Year One (1 July 2018 – 31 March 2019 due to current contracts 3 month rollover) and £50K per annum for each of the years 2019/20 and 2020/21 as previously agreed by members included in the Medium Term Financial Strategy. The detailed savings are described in the table at 5.9 and in Appendix 1. The contracts are now due to run from 1 July 2018 to 31 March 2021.
- 5.2 Overall, the review has attempted to use an evidence-based approach to decide how best to use the available funds.
- 5.3 A review of the performance monitoring figures for current commissioned services demonstrated that there is ongoing high demand for services, so achieving the necessary savings while maintaining the integrity of the service provision was central to the process of allocating funds.

- 5.4 At the same time, one of the prime aims of the review was to improve the Council's return on investment, so applying the funds where they achieve the most impact for WDC residents has also been a prime consideration. Practical measures are proposed to make this a reality: for example, infrastructure funds have been reduced and simple eligibility criteria for financial inclusion support in particular will be introduced to ensure funding is only spent on WDC residents in need of help.
- 5.5 Value for money has also been considered, with service specifications being amended so that service providers are expected to support individuals to develop their own skills, in a bid to reduce repeat requests for support e.g. in relation to financial crises.
- 5.6 Demographic analysis has been undertaken to better understand how many people in each priority area may potentially need support and to ensure that funding allocations across different geographic catchments appear fair.
- 5.7 A review of the current grants programmes showed some year on year underspending. The Council offers other grant programmes e.g. sports and arts, which overlap with these, so the available funding has been allocated to the areas of highest need rather than allocate it to a grant pot where it may remain unspent.
- 5.8 Positive discussions have been held with partner organisations regarding leveraging additional funds for services to vulnerable communities. It is expected that Orbit Housing will again issue additional contracts for complementary services. The Council's continued investment in community hubs will strengthen the likelihood of the CCG and Public Health using the hubs for service provision.

5.9 SAVINGS RATIONALE							
	Service	Comment	Current per annum budget	Proposed per annum budget	Rationale	1-year saving	3-year saving
1.	Community Forum Grants	Maintained across all 7 forums	£5,000	£3,000	Some budgets are under-utilised and not always focused on the most vulnerable communities. Other funding schemes exist, including within WDC. Albeit reduced, these grants are recognised to be important to communities and are retained for this reason.	£14,000	£42,000
2.	Small Grants Scheme	Ceases	£11,200	£0	Under-utilised and not always used for most vulnerable communities. Other funding schemes exist including within WDC.	£11,200	£33,600
3.	Grant to Joint Healthy Warwickshire Partnership	Ceases	£10,000	£0	Not delivering defined benefits to meet Council priorities.	£10,000	£30,000
4.	Energy Advice Contract	Reduced	£8,375	£5,500	Reductions will not significantly affect service delivery	£2,875	£8,625
5.	Financial Inclusion commissioned services	Reduction in Years Two and Three	£100,000	Yr.1 = £100,000 Yr.2 = £90,000 Yr.3 = £80,000	Value maintained in Yr. 1 to meet demand caused by Universal Credit. Reductions reflects tightened eligibility criteria. Providers will be encouraged to reduce reliance on Council funds by accessing other sources of finance.	£10,000 rising to £20,000	£30,000
6.	Infrastructure Support – VCS organisations	Reduction	£55,000	Yr.1 = £43,750 Yr.2 = £40,000 Yr.3 = £40,000	Reduction reflects need to concentrate funds on direct service delivery	£11,250 rising to £15,000	£41,250
7	Infrastructure Support - overcome rural isolation	New	£0	Yr.1 = £12,500 Yr.2 = £10,000 Yr.3 = £10,000	Introduced to recognise rural deprivation and encourage capacity building in rural areas	-£12,500 reducing to -£10,000	-£32,500
8	Social Inclusion commissioned services	Marginal increase, then reduction by Yr. 3	£135,000	Yr.1 = £140,000 Yr.2 = £142,000 Yr.3 = £122,000	Some reallocation of funding and slight increases to reflect demographics and individual circumstances. Funding reduces in Yr. 3 to reduce reliance on Council funds	-£5,000 rising to £13,000	£1,000
9.	Employment Support	Reduction	£40,000	Yr.1 = £32,000 Yr.2 = £30,000 Yr.3 = £30,000	Unemployment is reducing but ESA or former ESA clients may need help to find work plus brokerage with employers	£8,000 rising to £10,000	£28,000

6. Risks

6.1 Risk: **Vulnerable residents' changing needs are not addressed by service provision**

Likelihood: Low

Impact: High

Mitigation: Changing needs have been carefully considered through research and consultation. There will be sufficient flexibility in the contracts to enable service providers to tailor provision to the needs of their clients.

6.2 Risk: **VCS organisations' sustainability is threatened by contract value reductions**

Likelihood: Medium

Impact: Low

Mitigation: Plenty of notice has been given of the Council's decision to save money on these contracts. Contract values remain substantial. The Council always seeks to support the VCS sector but is not responsible for the survival of individual organisations.

6.3 Risk: **Reduced support for vulnerable communities attracts unfavourable comments and damages the Council's reputation**

Likelihood: Medium

Impact: Low

Mitigation: Care has been taken to focus resources where they are most needed, including addressing issues that are increasing in importance. Service providers will be required to provide greater evidence of the positive impact they achieve for residents. Despite the budget reduction, the Council is still committing substantial funds to support for vulnerable communities.

6.4 Risk: **VCS organisations dislike revised emphasis of new services and do not bid to provide services**

Likelihood: Low

Impact: High

Mitigation: The proposed changes have been widely consulted upon and there was good attendance at a pre-market engagement event to publicise the impending contract opportunities.

6.5 Risk: **The intended improvement in impact is not achieved**

Likelihood: Medium

Impact: High

Mitigation: Working alongside the successful service providers, new and more robust reporting and monitoring arrangements are to be introduced that will more effectively produce evidence of the impact of services on clients.

7. Alternative Option(s) considered

Options for Restructuring the Programme

7.1 Completely remove all grant programmes – rejected: felt to be unfair to deprived communities that are not identified as a Council priority.

7.2 Improve access to services by introducing a new project to improve community transport – rejected: needs a more holistic approach with significant investment that includes other partners.

7.3 Make savings by reducing allocations for commissioned services only – rejected: would reduce some contract values to point where individual contracts become unsustainable.

- 7.4 Maintain focus on urban priority areas exclusively – rejected: legitimate concerns about rural isolation and poverty have been expressed repeatedly in recent years and in consultation; these need to be addressed.
- 7.5 A lot of consideration has been given to the respective geographic allocations for social inclusion services delivered via each of the community hubs. Financial modelling has been used to reflect different aspects of deprivation. The recommended proposal is felt to be the best compromise that recognises the needs of different communities and the capacity of local community support infrastructure.

Options for Executive

- 7.6 Approve proposed savings without changing service specifications – not recommended: changes in operating environment and people's needs would not be addressed.
- 7.7 Approve savings and service specifications without changing emphasis towards outcomes and return on investment – not recommended: Reporting on outputs rather than outcomes linked to Council funding would continue; the Council's requirement for greater emphasis on and reporting about the return achieved on its investment will not be secured.

8. Background

Introduction and Rationale

- 8.1 Warwick District Council has made a longstanding commitment to helping its most vulnerable residents to improve their lives and circumstances. Following on from its Sustainable Community Strategy, the Council has reaffirmed this commitment in its Corporate Strategy 'Fit for the Future'. Although there is no statutory requirement to provide this type of support, the Council's clear rationale is that, in addition to improving the quality of life of its residents, investment in social and financial inclusion services can improve the capacity and resilience of communities and helps to reduce the pressure on other public services provided by the Council and its partners, not least by expanding the capacity of VCS organisations and improving the wellbeing and self-reliance of individuals.
- 8.2 The Council has decided to continue its investment via a further three-year round (two years nine months in real terms) of commissioned services and grants. In order to balance its budget, a full year reduction of £50,000 per annum needs to be achieved so that expenditure over the three-year period does not exceed £1,046,225. In practice, the total achieved by applying these proposals is substantially below this maximum.
- 8.3 In addition, the Council wishes to ensure that its investment makes a measurable improvement to the residents and organisations assisted, leverages financial contributions from other partners and equips VCS organisations to access funding from other sources.

Review Process

- 8.4 To ensure that the funds are targeted where they can achieve most benefit and to identify the necessary budget savings, a review process has taken place over the summer and autumn of 2017. The review methodology has focused on:

- What has been achieved by the current commissioning;
- Whether the services are still broadly relevant and needed;
- Whether services need to change in anyway to reflect the current environment and policy direction, local and national;
- How to make sure that the services commissioned make a real difference to people and organisations;
- How partners and stakeholders would like to see the funds used;
- Where and how the available, reduced budget should be targeted to help those in most need.

The review methodology has combined desk research with extensive consultation and workshop sessions with staff, partners, current contractors and other stakeholders.

Findings from the Review Process

8.5 The service specification templates at the end of this report provide more detailed review findings and proposals but here is a summary:

8.5.1 Current commissioning

Over the three-year period, the contract holders have each engaged with hundreds of individuals (thousands, in the case of financial inclusion services) to help them address household problems, claim benefits for which they are eligible, reduce debts and manage their finances better, engage with public services, improve their chances of finding work, engage with their local communities, improve their physical and mental wellbeing.

Whilst services are open to everyone in the District, the management information supplied indicates a strong emphasis on assisting people in deprived communities and, in particular in the Council's four target areas – Brunswick, Sydenham, Crown and West Warwick. The community hubs in these locations have provided a focus for the delivery of information, advice, signposting, services and outreach facilities for both VCS and public sector organisations to interface with the public. The contracts awarded have helped to cement this position in three of the areas. At the time of writing, the position in Crown seems more fluid and it appears likely that some restructuring of community facilities will take place, which has been taken into account in the review.

Contract holders were encouraged to tailor support to suit local demographics and the range of activities undertaken confirms this approach has been implemented.

Through the infrastructure support contract, local VCS organisations have been able to access help with recruiting new volunteers and generally strengthening their operations.

8.5.2 Developing services

The long-term objective of this investment is that, ultimately, the services provided should make residents more independent and less reliant on external intervention. Whilst this type of support is not a precise science, we propose to commission a slightly more structured approach to achieving these changes in peoples' lives. This would include identifying the challenges individuals face, devising and then delivering packages of support to address the challenges and then checking that the individual feels an improvement in their circumstances has been achieved. This approach

should reduce the likelihood of the same individuals being supported by these contracts month in, month out and should extend the reach of the services. The concept of the package of services as originally conceived is a powerful combination of support to address the causes as well as the symptoms of deprivation. The service providers should take a more holistic view of the needs of individuals, so that financial and social inclusion support work in harmony and service providers work together to achieve that seamless integration.

In effect, whilst continuing to provide information, advice and signposting, contractors will be encouraged to identify those residents that would benefit from a package of support and then take a more 'case management' approach to delivery.

This is likely to mean that activity levels will drop but should translate into better outcomes and better information about the improvements to people's lives. The likelihood that residents will need support that goes beyond the scope of these commissioned services is recognised, so we would like to see other local services kicking in to continue support when the WDC package is complete. This might take the form of mainstream services, services funded by other routes and/or volunteer- and community group-based support that help to maintain the benefits gained from the Council's intervention.

Pilot work on pre-engagement activity to contact the hardest-to-reach has produced positive results, so we propose that this type of approach should be integrated into the new commissioned services.

8.5.3 Keeping services relevant

All available data and local intelligence suggests that deprivation, social and financial exclusion still exist in the priority wards and in pockets elsewhere in the District. The hubs report high demand for their services, as do other service providers. Government welfare reforms mean people are having to deal with changes to their circumstances and need help to plan and make good decisions. Poor mental health continues to be a strong contributory factor. Building the capacity of the VCS organisations to support people is a cost-effective way to relieve some of the pressure on services delivered by the public sector.

The requirement for good digital skills is increasing, driven by government and, potentially, by changing ways of accessing healthcare, so computer skills training in all its forms will need to be readily available and suitable for an audience who are likely to lack confidence and access to equipment. As a minimum, we want to see strong referral routes in place to get people the support and training they need.

Although unemployment has dropped, there is a bank of people on ESA, who are either being transferred to the 'employment group' of ESA or to JSA. In both cases, this means they are expected to find some work. Whilst continuing to provide basic job search support, we think the development of employment brokerage would be the most beneficial way of investing these funds, to help identify suitable employers and models of supported employment.

We propose that infrastructure support could be better targeted to make material improvements to the sustainability of VCS organisations and, in line with the Council's priorities, to focus support on organisations that are active in the most deprived wards.

Small grants have formed part of the portfolio of services in the past. These are delivered in two ways:

- Grants available to community forums
- Small grants scheme

Both schemes are under-utilised, resulting in part of the 'pot' being unspent at the end of the financial year. We think this is because the Council operates other grant schemes and groups have access to funds from other sources. Accordingly, we propose to reduce the grants available via community forums and close the small grants scheme completely.

8.5.4 Responding to the changing context

Locally, the Council's Corporate Strategy priority themes include employment and skills, safer communities and health and wellbeing. The current range of commissioned services is already contributing to improvements in these areas and the core provision planned in the new commissioning round will continue that work.

In terms of national policy, as mentioned before, the changes brought about by welfare reform are continuing to affect individuals; transfer to Universal Credit is likely to increase demand for support services. Where UC is already rolled out there have been some major problems because benefit payments halt for a period of several weeks. It is hoped that government announcements in the Autumn 17 Budget will carry through to resolve this hardship but there are other implications, such as financial management skills, a mandatory online application process and an incentive to find work that may strengthen demand for services.

There are some interesting developments locally and in other parts of the country that also appear to underline that the Warwick District place-based approach could provide firm foundations going forward. Greater Manchester has recently published a new health and wellbeing strategy that details their plans for so-called 'Local Care Organisations' that are based on GP patient lists and take an integrated, holistic approach to the health, social care and social inclusion needs of individuals, with tracking at the level of the individual and VCS and public sector working together to deliver support. The NHS has numerous 'vanguard' programmes in place that are trying out different models of increasing community resilience. There is a joint pilot between NHS and LGA to develop volunteer peer mentoring at the community level to support isolated individuals. All of these initiatives suggest WDC's approach is in tune with and proactively moving in the direction of national travel on these issues.

During consultation in the District, it was reported that the CCG and Public Health England are increasingly interested in community hubs as delivery mechanisms for local support; social prescribing with two GP surgeries already forms part of the current social inclusion service delivery and we hope to see that expand in the next three years. This sets the scene for other partners to strengthen their respective investment in the hubs.

8.5.5 Evidencing the difference services make

Our assessment of the management data reported is that service providers have not fully grasped the need to report only that activity that is genuinely supported by the WDC funding. We wish to help them to segregate Council-funded activity so that more accurate reporting properly reflects what can be achieved with the funds. As a consequence, we fully expect output volumes to drop but outcomes to become clearer.

The review of current arrangements has also identified improvements that could be made to management information reporting that will help to simplify output reporting and shift the emphasis on to gathering evidence of the improvements achieved in people's lives. The financial inclusion data set provided by the current provider is robust and does not need to change in SROI terms, although we need to ensure that data provided relates specifically to the WDC contract to ensure that the benefits are not inflated.

To improve understanding around the benefit of social inclusion services, we propose to adopt a nationally-recognised perception recording tool, such as Think Local Act Personal or Warwick Edinburgh Mental Wellbeing scale, with a few amendments, as well as seeking estimates of the proportion of the vulnerable population in each area that have engaged with services. The latter is a means to assess success in expanding the reach of services to all who need them.

8.5.6 Feedback from consultation

An extensive programme of consultation through multiple events with internal and external stakeholders has taken place to enable interested parties to feed in their views. All the views expressed have been recorded and considered. The development of the service specifications has greatly benefited from this process and we are grateful to everyone for their contributions. The key messages from consultation were:

- Keep the focus on priority wards
- Define eligibility for services as benefit/tax credit recipients, who are resident in the District
- Take on board the implications for the target audience of welfare reform, particularly Universal Credit and ESA changes
- Fund only financial problems via the financial inclusion contract
- Reduce repeat clients by improved financial management and planning skills tuition
- Make the procurement process as easy as possible for small organisations to participate
- Be cautious about expecting expanded service requirements when funding is being reduced
- There are opportunities for better alignment of WDC services, which would be assisted by training for front-line Council and service provider staff.

8.6 Budget allocation and leverage

The table included in Section 5 above and Appendix One detail the proposals. Appendix One shows the current expenditure on grants and commissioned services, compares that with the planned budgetary changes for the period 2018 – 2021 and indicates the savings to be achieved.

To make these proposals, we have looked carefully at the demographic profiles and individual circumstances of each priority ward and at the activity levels and breakdown of beneficiaries to decide how the necessary reductions can be achieved with least impact on services. Our proposals aim to shift the emphasis so that the benefits of the Council's investment will be clearly evidenced across the range of services and so that service providers understand that the Council funding is specifically linked to outcomes.

The key features of the proposals are:

- Full year savings of more than £50k p.a. have been achieved. The 3-year saving is over £180K.
- Savings are proposed on grants to maximise the proportion of funds that can provide direct service provision to vulnerable residents.
- The integrity of the overall service offer has been preserved.
- The approach to savings has allowed social inclusion values in Years One and Two to be maintained and we have rectified the imbalance in the allocation of funds for social inclusion work so that Sydenham is treated equally.
- Funding for financial inclusion is only reduced in Years Two and Three.
- Infrastructure support has been split into two work streams to direct some funding to tackle rural isolation.
- Service providers have plenty of time to prepare for funding reductions in Year Three.
- Should budget continue to be available, the possibility of contract extensions beyond Year Three, can be built into commissioning subject to strong performance and a continued trend of funding reduction. This would save further procurement costs.

Some partners e.g. Orbit, have given positive indication that they support the proposed approach and plan to commission similar support alongside the Council contracts, which will add substantial value to the Council's investment.

APPENDIX ONE - VCS COMMISSIONING - ALLOCATIONS AND SAVINGS PROPOSALS						Savings required = £50K in Years Two and Three and pro rata for 9 months of Year One = £37,500									
						CONTRACT VALUES									
	ACTIVITY	NOTES	ANNUAL COST	3 YR COST	NATURE OF SAVING	2018/19 Q1*	2018/19 Q2-4	2018/19 total	ANNUAL SAVINGS	2019/20	ANNUAL SAVINGS	2020/21	ANNUAL SAVINGS	3YR COST	3 YR SAVINGS
1	COMMUNITY FORUM GRANTS	£5K x 7 Forums	£35,000	£105,000	Reduce each forum allowance to £3K	0	£21,000	£21,000	£14,000	£21,000	£14,000	£21,000	£14,000	£63,000	£42,000
2	SMALL GRANTS SCHEME		£11,200	£33,600	Cancellation of scheme	0	£0	£0	£11,200	£0	£11,200	£0	£11,200	£0	£33,600
3	CONTRIBUTION TO JOINT HEALTHY WARKS.		£10,000	£30,000	Cancellation of grant	0	£0	£0	£10,000	£0	£10,000	£0	£10,000	£0	£30,000
4	ENERGY ADVICE CONTRACT		£8,375	£25,125	Contract value reduced	£1,375	£4,125	£5,500	£2,875	£5,500	£2,875	£5,500	£2,875	£16,500	£8,625
5	FINANCIAL INCLUSION SUPPORT		£100,000	£300,000	Reduce value from Year T	£25,000	£75,000	£100,000	£0	£90,000	£10,000	£80,000	£20,000	£270,000	£30,000
6	INFRASTRUCTURE SUPPORT: VCS		£55,000	£165,000	Reduce total and move £10K to No.11	£13,750	£30,000	£43,750	£11,250	£40,000	£15,000	£40,000	£15,000	£123,750	£41,250
7	INFRASTRUCTURE SUPPORT: OVERCOMING RURAL ISOLATION PILOT SUPPORT:	NEW	£0	£0	New investment	£0	£12,500	£12,500	-£12,500	£10,000	-£10,000	£10,000	-£10,000	£32,500	-£32,500
8	- BRUNSWICK		£50,000	£150,000	Staged reduction	£12,500	£35,500	£48,000	£2,000	£45,000	£5,000	£40,000	£10,000	£133,000	£17,000
9	- CROWN		£30,000	£90,000	Maintain in Years One and Two	£7,500	£21,500	£29,000	£1,000	£30,000	£0	£25,000	£5,000	£84,000	£6,000
10	- SYDENHAM		£20,000	£60,000	Re-balance compared with other wards	£5,000	£24,000	£29,000	-£9,000	£32,000	-£12,000	£27,000	-£7,000	£88,000	-£28,000
11	- WEST WARWICK		£35,000	£105,000	Maintain in Years One and Two	£8,750	£25,250	£34,000	£1,000	£35,000	£0	£30,000	£5,000	£99,000	£6,000
12	EMPLOYMENT SUPPORT		£40,000	£120,000	Reduce value because of reducing unemployment	£10,000	£22,000	£32,000	£8,000	£30,000	£10,000	£30,000	£10,000	£92,000	£28,000
	Total		£394,575	£1,183,725		£83,875	£270,875	£354,750	£39,825	£338,500	£56,075	£308,500	£86,075	£1,001,750	£181,975
*£83,875 of Yr 1 spend has to pay for 3-month rollover of contracts on 2017/18 values.															

APPENDIX TWO

INVESTING IN COMMUNITIES - SERVICE FRAMEWORKS

COMMISSIONING LOT DESCRIPTION:	FINANCIAL INCLUSION
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS	
VALUE OF 2015 – 2018 SLA:	£100,000 PER ANNUM
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:	Advice, support and some training to resolve financial and legal problems and improve financial resilience.
TYPICAL TYPE OF SERVICE:	<ul style="list-style-type: none"> • Benefits advice and claims • Debt management including writing off debt • Legal disputes • Housing problems • Energy switching • Immigration issues
CLIENT TYPES (based on analysis of 6-months management information):	<p>Open to all residents</p> <p>90% WDC residents with strong emphasis on priority wards and a small minority of homeless.</p> <p>10% non-residents.</p>
ACTIVITY LEVELS:	4000+ enquiries handled per annum, of which approx. 1400 relate to residents of priority wards.
PERFORMANCE TARGETS:	Outputs achieved.
OUTCOMES/SOCIAL RETURN ON INVESTMENT: (Average CA leverage across the country is a £13 benefit for the people helped for every £1 spent on CA services.)	<ul style="list-style-type: none"> • Estimated £2.3m per annum in additional benefits and tax credits, energy savings, grants and other benefits = £23* BENEFIT for every £1 WDC funding • Savings for WDC: Estimated £800k per annum in recouped rent and Council Tax plus savings on legal bills for avoided evictions. = £8 benefit to WDC for every £1 funding • Service is substantially supported by trained volunteers, estimate of value by WDCA = £300,000 per annum to their service

* Over-reporting (i.e. reporting activity not funded by the WDC contract) may account for additional benefit over and above expected average.

FINANCIAL INCLUSION: CONCLUSIONS FROM REVIEW AND CONSULTATION

WHAT DO WE WANT TO KEEP?	<ul style="list-style-type: none"> • Service remains valid to the needs of local residents • Strong emphasis on residents of priority wards • Help for homeless people • Help for ex services personnel • Benefit advice, debt management, reducing household bills • Housing advice, helping reduce WDC-related debts • Excellent SROI return (but note potential over-reporting) • Delivery through outreach (and could expand further)
WHAT DO WE WANT TO CHANGE?	1. Tighten definition of eligibility for WDC service to: Benefits recipients and/or with tax credits, ex armed forces, homeless, living in WDC area or imminently moving in.
	2. More emphasis on building residents' financial planning skills to increase financial resilience and reduce reliance on public and VCS services and repeat visits to service provider.
	3. Better integration of financial inclusion services with package of social inclusion support rather than piecemeal delivery.
	4. Increase pre-engagement activities to contact those who are hardest to reach.
	5. Improved collaboration between WDC financial inclusion staff and service provider to make best use of resources e.g. reducing duplicated clients.
	6. Increased emphasis on leveraging resources from other partners and sources.

FINANCIAL INCLUSION: PROPOSED FINANCIALS

2018 – 19			2019 - 2020	2020 - 2021	
Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
£25,000	£75,000	£100,000	£90,000	£80,000	£30,000

Rationale:

Gradual reduction to reflect tighter eligibility, tighter service definition and potential overlap with support delivered by WDC FI staff and reflects requirement for improved funding leverage from other sources.

*Reflects 3-month rollover of 2015/18 contract

APPENDIX TWO continued...

ENDIX TWO continued...

COMMISSIONING LOT DESCRIPTION:		INFRASTRUCTURE SUPPORT				
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS						
VALUE OF 2015 – 2018 SLA:		£55,000 PER ANNUM				
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:		Capacity building support to strengthen VCS organisations				
TYPICAL TYPE OF SERVICE:		<ul style="list-style-type: none">Awareness raising, recruiting and matching volunteers to opportunitiesFundraising supportSharing good practice to strengthen organisational resilience				
CLIENT TYPES:		VCS organisations of all types, including other SLA holders.				
INDICATIVE ACTIVITY LEVELS: (based on analysis of 6-months management information)		<ul style="list-style-type: none">63 volunteers matched86 organisations supported1500 people attended events at which service provider has presented/facilitated.				
PERFORMANCE TARGETS:		Outputs achieved.				
OUTCOMES/SOCIAL RETURN ON INVESTMENT: (6 months)		<ul style="list-style-type: none">63 volunteers placed with organisations£36k additional funding brought into VCS organisations3 volunteers helped into employment				
INFRASTRUCTURE: CONCLUSIONS FROM REVIEW AND CONSULTATION						
WHAT DO WE WANT TO KEEP?	<ul style="list-style-type: none">Capacity building to strengthen the VC sector remains validBuilding the volunteer workforceSupport to strengthen financial resilience in VCS					
WHAT DO WE WANT TO CHANGE?	1. More in-depth work with organisations to fundamentally improve their viability					
	2. Focus on outcomes rather than outputs					
	3. Confidence about VCS client satisfaction					
	4. Increased emphasis on leveraging resources from other partners and sources.					
	5. Prioritise support for contract holders/organisations active in priority wards					
	6. Dedicated resources to trial capacity building in rural areas					
	7. Help rural parish councils to develop their role in overcoming social isolation					
INFRASTRUCTURE SUPPORT: PROPOSED FINANCIALS						
	2018 – 19			2019 – 20	2020 -21	
Service	Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
Infrastructure	£13,750	£30,000	£43,750	£40,000	£40,000	£41,250
Rural Pilot			£12,500	£10,000	£10,000	-£32,500
				Net saving		£8,750
	Rationale: Small investment in rural areas to drive solutions to isolation and access to services. Gradual reductions to reflect refocused service definition and requirement for improved funding leverage from other sources.					

*Reflects 3-month rollover of 2015/18 contract

APPENDIX TWO continued...

COMMISSIONING LOT DESCRIPTION:	SOCIAL INCLUSION (4 lots)
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS	
VALUE OF 2015 – 2018 SLA:	£135,000 PER ANNUM Brunswick - £50k Crown - £30k West Warwick - £35k Sydenham - £20k
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:	Range of social inclusion activities geared towards improving engagement with public and VCS services, overcoming social isolation, improving physical and mental health, building confidence, independence and personal resilience.
TYPICAL TYPE OF SERVICE:	<ul style="list-style-type: none"> • Information, advice and signposting • Cementing role of community hubs • Engagement with hardest to reach • Development of networks • Development and management of community facilities • Support for other services such as Priority Families programme
CLIENT TYPES (based on analysis of 6-months management information):	<ul style="list-style-type: none"> • Residents who find it difficult to engage with services • Residents suffering poor mental and physical health • NEETs • Priority families
INDICATIVE ACTIVITY LEVELS: (6 months resident engagement)	Brunswick: 577 Crown: 148 W. Warwk: 125 Sydenham: 148
PERFORMANCE TARGETS:	<ul style="list-style-type: none"> • Contribute to 8 WDC commissioning objectives - evidence provided. • Client satisfaction
OUTCOMES/SOCIAL RETURN ON INVESTMENT:	<ul style="list-style-type: none"> • Volunteers recruited • New engagement • Local issues resolved that might otherwise have been referred to WDC

SOCIAL INCLUSION: CONCLUSIONS FROM REVIEW AND CONSULTATION

WHAT DO WE WANT TO KEEP?	<ul style="list-style-type: none"> Place-based approach that centres on four priority wards and hubs, where they exist Making use of local knowledge, networks and trust Outreach services from other partners that add value for residents Centres for information, advice and signposting Services tailored to meet local needs
WHAT DO WE WANT TO CHANGE?	1. Strengthen more intensive, person-centred approach that leads to real outcomes.
	2. Improve 'churn' of residents so same services are not being delivered to same clients year after year.
	3. Investing in services, not paying operating costs
	4. Better integration of social and financial inclusion support rather than piecemeal delivery.
	5. Increase pre-engagement activities to contact those who are hardest to reach.
	6. Improved alignment of mainstream WDC and commissioned services to make best use of resources e.g. clients being referred to leisure centres for physical activity.
	7. Increased emphasis on leveraging resources from other partners and sources.
	8. Explore opportunities for expansion of social prescribing as integral part of support package.

SOCIAL INCLUSION SUPPORT: PROPOSED FINANCIALS

	2018 – 19			2019 - 2020	2020 - 2021	
Service	Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
Brunswick	£12,500	£35,500	£48,000	£45,000	£40,000	£17,000
Crown	£7,500	£21,500	£29,000	£30,000	£25,000	£6,000
Sydenham	£5,000	£24,000	£29,000	£32,000	£27,000	-£28,000
West Warwick	£8,750	£25,250	£34,000	£35,000	£30,000	£6,000
				Net saving(increase)		£1,000

Rationale:

More proportionate funding for Sydenham.

Values largely maintained in early years to drive funding to direct service provision but with reduction in year three to reflect need to locate alternative funding, while giving plenty of time for preparation.


*Reflects 3-month rollover of 2015/18 contract

COMMISSIONING LOT DESCRIPTION:	EMPLOYMENT SUPPORT
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS	
VALUE OF 2015 – 2018 SLA:	£40,000 PER ANNUM
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:	3 employment clubs held weekly in priority wards (Brunswick, Lillington and Warwick) plus outreach to assist those seeking employment with job search skills
TYPICAL TYPE OF SERVICE:	<ul style="list-style-type: none"> • General employment advice • CV writing • Interview techniques • Job search
CLIENT TYPES (based on analysis of 6-months management information):	<ul style="list-style-type: none"> • Open to all residents • Those on Jobseekers Allowance • Those on ESA obliged to transfer to JSA • Those on the employment support aspect of ESA • Those transferring to Universal Credit
ACTIVITY LEVELS: (6 months)	202 clients
PERFORMANCE TARGETS:	Specific outputs not specified but a range of MI supplied.
OUTCOMES/SOCIAL RETURN ON INVESTMENT:	<p>37 clients moved into employment</p> <p>9 people signposted to skills development providers</p>

EMPLOYMENT SUPPORT: CONCLUSIONS FROM REVIEW AND CONSULTATION	
WHAT DO WE WANT TO KEEP?	<ul style="list-style-type: none"> Generic support provided remains valid because reduction in unemployment is countered by increase in ESA clients obliged to try to find work and potential for those transferring to Universal Credit to gain financially if in work. Focus on priority wards.
WHAT DO WE WANT TO CHANGE?	1. More employment brokerage to help people with health challenges find work.
	2. Better signposting to enterprise support to help those interested in self-employment and community-based social enterprise
	3. Better integration with financial and social inclusion services rather than piecemeal delivery.
	4. Increased emphasis on leveraging resources from other partners and sources.
	5. Better signposting to help people improve their work situation e.g. those in 'gig' economy, those needing skills training.
	6. Develop relationships with sympathetic employers.

EMPLOYMENT SUPPORT: PROPOSED FINANCIALS					
2018 – 19			2019 - 2020	2020 - 2021	
Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
£10,000	£22,000	£32,000	£30,000	£30,000	£28,000
<p>Rationale:</p> <p>Gradual reduction to reflect changed service definition and requirement for improved funding leverage from other sources.</p>					

*Reflects 3-month rollover of 2015/18 contract

 Executive Committee 7th February 2018		Agenda Item No. 9
Title	Business Improvement District (BID) Leamington – Recommendation on voting position	
For further information about this report please contact	Suzee Laxton – Strategic Economic Development Officer 01926 456015 Suzee.laxton@warwickdc.gov.uk	
Wards of the District directly affected	Clarendon and Milverton	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive meeting 4 th January 2018 Minute number	
Background Papers	Executive meeting 4 th January 2018 Item 07 Executive meeting 27th September 2017 Item 04	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes – Ref 911
Equality Impact Assessment Undertaken	No
Not applicable	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	12.01.18	Chris Elliott/Bill Hunt
Head of Service	12.01.18	Tracy Darke
CMT	12.01.18	Bill Hunt
Section 151 Officer	12.01.18	Mike Snow
Monitoring Officer	12.01.18	Andrew Jones
Finance	12.01.18	Jenny Clayton
Portfolio Holder(s)	12.01.18	Cllr Noel Butler
Consultation & Community Engagement		
This will be carried out by the BID for the renewal		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 To share the final BID business plan and proposal and provide a recommendation on Warwick District Council's voting position.

2. **Recommendations**

- 2.1 That the Executive notes the contents of the BID renewal document and their proposals for the next 5 years (attached as Confidential Appendix 1).
- 2.2 That Executive agrees to return a yes vote to the BID renewal for each of WDC's nine eligible premises within the BID area and delegates the completion of the ballot papers to the Deputy Chief Executive (BH) with a yes vote for each.

3. **Reasons for the Recommendations**

- 3.1 Members may recall that in the January Executive paper we supplied the draft version of the renewal proposal documents, which may have been subject to change. The final version has now been received and reviewed: there have been no material changes and it can be confirmed that:
- there is no conflict with any of our published formal policy documents (as detailed in Regulation 4 of the 2004 Regulations);
 - BID has sufficient funds to meet the costs of the renewal ballot in the event that WDC are in a position to recoup the ballot costs (as detailed in Regulation 10 of the 2004 Regulations); and
 - the BID arrangements are not likely to be a significantly disproportionate or inequitable financial burden to levy payers within the BID area (as detailed in Regulation 12 of the 2004 Regulations).
- 3.2 There are a number of Council properties within the BID area which will be subject to the levy and WDC receives one vote for each of these premises. These premises include 4 WDC car parks, the Town Hall, the Town Hall premises, parking land at Newbold Common and 2 votes for the Royal Pump Rooms. Here WDC has the same rights as any other levy payer to review the renewal documents and decide if we wish to vote for BID renewal, vote against BID renewal or abstain from voting altogether.
- 3.3 The BID business plan offers numerous benefits to the Royal Leamington Spa town centre. These include:
- An estimated level of investment into the town centre of £1,560,710 over the course of the five years.
 - National and regional promotion of Royal Leamington Spa through websites, social media, print and events. An example of the scale of this promotion is the Royal Leamington Spa website, which receives in excess of 30,000 hits per month.
 - Enhancement of the streetscape through beautification projects and ongoing work to tackle begging, rough sleeping and vacant properties.
 - Supporting businesses to develop and grow, which is all the more necessary with the challenges facing the changing High Street in the next five years.
 - Acting as the collective voice for the town centre businesses in fighting for the business' and the town centre's interests.

There is no other organisation, including WDC, who would be able to supply the same level of financial support or staff time as is currently offered by BID. The

resultant effect would be a complete absence of the services that the town centre currently benefits from.

- 3.4 Considering the return on investment gained from our levy (£1,560,710 of town centre investment versus a levy of £4,272) and that WDC overall has a net gain in income from the BID (£8,500 of income versus expenditure of £4,272) it is clear that the BID significantly greater value to the town centre than the levy cost and, as such, a yes vote for BID renewal is recommended.
- 3.5 To reflect the importance of the vote, it is recommended that the Deputy Chief Executive (BH) be responsible for completing the ballot return with a yes vote for each Council building in the BID area.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and antisocial behaviour	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
BID Leamington has a commitment to ensuring the town centre is a community centre and business and community health and wellbeing forms a strand of the Business Plan. Events such as the Food Festival and Lantern Parade are free to attend and contribute to a more healthy, integrated	BID Leamington delivers a number of activity strands that contribute to a safer, greener Town Centre. This has included significant investment in additional floral baskets as well as contributions to the Safer Neighbourhood Forum, Helping Hands Charity and Retail Crime Partnership. Future activities will also focus on strategies to	BID Leamington's existence has a marked impact on the vibrancy of Leamington Town Centre given the level of investment (£1.5 million) and the amount of work (promotion, campaigning, events) it provides for the town centre. It also works to make members more efficient and productive thereby improving the

community. BID Leamington also supports many other cultural and creative events and charities such as Art in the Park, the Myton Santa Dash, the Carnival, Peace Festival, TEDx Leamington and others.	tackle antisocial behaviours.	performance of the local retail economy.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
None	None	As per 6.3 below, failure for the BID to be renewed may result in increased cost to the Council.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here. The continuation of a BID for Leamington town centre is consistent with the Council's Sustainable Community Strategy position of support for the town centres of the District. All town centres are experiencing a change in shopping habits and we need to be providing as much support to organisations such as BID Leamington Ltd to ensure that Leamington town centre continues to thrive at the heart of our district.

5. Budgetary Framework

- 5.1 Existing budget provision of £5,600p.a. is available and has been sufficient to accommodate WDC's current BID Levy of £4,005. The proposed levy percentage of 1.6% can still be accommodated within this existing budget along with the proposed annual inflationary rise of 0.02 (which will be at the discretion of BID Board to apply or not each year). Therefore the total cost that the Council will be liable for in 2018/19 will be £4,272.
- 5.2 Warwick District Council currently charges BID Leamington £8,500 per annum (before VAT) to collect the BID levy on their behalf. This figure ensures that the Council makes full cost recovery.

6. Risks

- 6.1 The most significant risk faced is if BID Leamington is not successful in their renewal as Leamington town centre may lose investment in the region of £1.5million over the course of the five years. The economic impact of this loss on our town centre economy would be substantial.
- 6.2 Warwick District Council would lose £8,500 of income should the renewal not be successful. However, given that the income relates to specific work undertaken on behalf of the BID, the loss of income will be offset by no longer requiring the expenditure. Further, in the event of a 'no' vote the Council would not be required to pay its BID Levy charges.
- 6.3 Given the additionality of services provided by BID on top of the services WDC provides as the Local Authority, we are not obligated to step in and provide replace the level of investment within the town centre. External parties may however have the expectation that we should do so resulting in additional political pressure.

7. Alternative Option(s) considered


- 7.1 To vote against the BID renewal: not considered due to the significant impact to the business community and the negative impact on the vitality of Leamington town centre.
- 7.2 To abstain from the vote: not considered due to the significant impact to the business community and the negative impact on the vitality of Leamington town centre.

8. Background

- 8.1 A Business Improvement District (BID) is a business-led and controlled partnership in a given area such as Leamington Town Centre, which delivers an agreed set of services and projects. These are agreed, and formally voted for, by all businesses in the BID and are in addition to what the public agencies provide.
- 8.2 A BID typically lasts for five years with the bottom-line being that it improves the trading environment. BIDs are governed by legislation contained in the Local Government Act 2003 and the BID Regulations (2004).
- 8.3 BIDs can deliver any projects or services that are agreed by the relevant businesses. In Royal Leamington Spa, these are marketing & promotional activities, improved way-finding and higher profile events. The actual projects and services are determined as a result of detailed consultation with all the business in the BID area and are set out in the Business Plan.
- 8.5 BID Leamington Ltd is set up as a Company Limited by Guarantee. This is a business controlled, not-for-profit company that is responsible for the delivery of the BID Business Plan and is accountable to the BID Board and ultimately its levy payers.
- 8.6 Those businesses that are located within the Leamington BID area and whose property has a rateable value over the set threshold will pay an additional percentage of their rateable value towards the BID. This is called a BID Levy.

The BID Levy is normally paid by the occupiers of a property. The BID Levy is collected in July on an annual basis and invoices are issued by the collection agent. Properties with a rateable value below the threshold that are located within Leamington Town Centre can be included as a voluntary member of BID Leamington for a set fee. This means that the property will receive the similar benefits e.g. inclusion on the Royal Leamington Spa website, Mini-Maps & Guides, Little Book of Offers advertising and more. The threshold and levy are set through the Business Plan process.

- 8.7 BIDs can only carry out projects or services in addition to those that public agencies have to provide on a statutory basis and/or choose to deliver on a discretionary basis. However, a BID can agree to provide additional resources to deliver a higher level of local authority service over the current benchmarked level. An example of this might be a Christmas Lights contribution whereby BID funding has been used to enhance the lighting in the BID area, but the Local Authority continue to fund the installation, removal and power.
- 8.8 BID Leamington is governed by a board of directors consisting of 15 elected members that represent a cross section of skills, experience and sectors including: Independent Retail (4), Property Owners (2), Major Retail (2), Leisure (2), Local Authority (2), Tourism (1), Marketing (1) and Finance (1). Within this, two positions can be filled by a voluntary member (i.e. whose business is below the rateable value threshold).
- 8.9 Royal Leamington Spa continues to face increasing competition from resurgent local towns and cities, out of town retail parks and the internet. BID Leamington has made significant achievements but for the town to remain competitive it needs to continue to generate additional levels of funding in order to attract more shoppers and visitors.

 Executive – 7 February 2018		Agenda Item No. 10
Title	Private sector leasing scheme	
For further information about this report please contact	Lisa Barker Head of Housing Services Email: lisa.barker@warwickdc.gov.uk Ken Bruno Housing Strategy and Development Manager Email: ken.bruno@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	None.	
Background Papers	Executive report 4/1/2018 – “Homelessness initiatives and the new legislation”.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes Ref 909
Equality Impact Assessment Undertaken	No
There are not considered to be any negative equality implications.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	18/01/2018	Bill Hunt
Head of Service	02/01/2018	Lisa Barker
CMT	03/01/2018	Chris Elliott
Section 151 Officer	18/01/2018	Mike Snow
Monitoring Officer	17/01/2017	Andrew Jones
Finance	18/01/2018	Andrew Rollins Andrea Wyatt
Portfolio Holder(s)	05/01/2018	Cllr Peter Phillips
Consultation & Community Engagement		
None.		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		
If approved the recommendation will go to the next available Council meeting.		

1. Summary

- 1.1 In light of the new duties in the Homelessness Reduction Act 2017, which were considered by Executive on 4th January 2018, it may be appropriate from time to time for the Council to lease properties from the private sector for use as temporary accommodation.
- 1.2 Available properties are likely to be quite rare and will normally require a rapid and flexible response that would not accord with committee timescales. Delegated powers to enter into such leases are therefore considered necessary.

2. Recommendation

- 2.1 That Executive recommends to Council that delegated authority be granted to the Head of Housing Services and the Head of Finance, in consultation with the Portfolio Holders for Housing & Property and Finance to enter into a maximum of five leases for properties from the private sector (of no more than ten years in duration each) for use in connection with homelessness accommodation duties.

3. Reasons for the Recommendation

- 3.1 The Homelessness Reduction Act 2017 ("the 2017 Act") comes into force on 1st April 2018 and radically changes the approach that local authorities need to take in delivering their obligations to those who are homeless, threatened with homelessness or in need of housing advice.
- 3.2 Executive considered these measures on 4th January 2018 and members will recall that there are new duties to all applicants, regardless of priority need or intentionality, to help to secure accommodation for anyone who the authority is satisfied are homeless and eligible for assistance (the "relief duty").
- 3.3 The Council currently has a stock of 24 units of accommodation across three different sites (one of which is leased from the private sector) specifically for temporary accommodation for the homeless and may supplement this with temporary use of other Council properties and/or guest house/hotel accommodation when necessary.
- 3.4 The impact of the new legislation is unknown at this stage but may result in a need for additional accommodation for homeless or potentially homeless people on a short, medium or long-term basis which could be used to meet both interim duties to accommodate or full duties if the tenancy is of sufficient length. This may be particularly relevant where a large family needs to be accommodated and the authority does not have a property of the appropriate size. It would also help to ensure that the use of guest house accommodation continues to be minimised.
- 3.5 The preferred option would be to purchase property on the open market as this results in the acquisition of a long-term asset. If that were being pursued then a report would be brought to Executive seeking approval for the purchase. However another option is by leasing properties from the private sector.
- 3.6 This option may arise for example where an owner wishes to retain ownership and only be looking for a lease arrangement for a number of years.

- 3.7 Because of the vibrant private rented sector in the district, opportunities to lease appropriate properties are rare and landlords require a swift decision because they have other options available and do not wish to keep a property void for any length of time incurring rent losses, while a decision is taken.
- 3.8 Delegated powers are therefore necessary to enable officers to proceed swiftly in appropriate cases, subject to the following criteria:
- Legal advice will be taken on the terms of the lease to ensure that these are acceptable and that there are no land law complications;
 - The rent payable by the Council will be within 10% tolerance of an independent valuation;
 - The property will be surveyed and must be in a condition such that it is available for immediate occupation at the commencement of the lease. The Council will only carry out works prior to entering into the lease where the costs are met in full by the landlord directly, or "in kind" through reduced rental or a rent free period.
 - The Head of Finance will be satisfied that any net costs of a lease can be met from existing budgets.
- 3.9 It is proposed that the use of this power should be limited initially to a maximum of five properties and that any lease should be for a maximum duration of ten years with appropriate break clauses. If the scheme proves successful and additional properties are required then a further report will be brought to Executive seeking to extend it.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels

Impacts of Proposal		
Accommodation provision has a direct positive impact upon meeting housing needs and contributes to improved health for those accommodated.	Accommodating the homeless may reduce rough sleeping and help to improve public spaces and reduce crime and ASB.	None
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Delegated powers within clearly defined limits enhance staff effectiveness.	The proposal will give officers an additional option for extending accommodation provision for the homeless.	The scheme will be self-financing or, where a deficit is likely, containable within existing budgets.

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies. The Council adopted the current Housing and Homelessness Strategy in April 2017. This includes an objective of providing suitable accommodation, information and advice for the homeless in an effort to prevent and reduce homelessness. Additional temporary accommodation will contribute to the achievement of this objective.

4.3 **Changes to Existing Policies**

This report does not change existing policies but provides another tool for delivering upon an objective within the Housing & Homelessness Strategy.

- 4.4 **Impact Assessments** – An impact assessment has not been completed because the proposed power provides for a greater level of service and support for the homeless and potentially homeless and should therefore have positive impacts upon recipients of the service.

5. **Budgetary Framework**

- 5.1 Each property to be leased will be different and will need to be assessed on its own merits as the precise financial arrangements cannot be known in advance.

- 5.2 Ideally rents to be received from occupiers should cover the outgoings on the property. However it is in the nature of temporary accommodation that there is a higher turnover and therefore a potential for greater void losses. For each property the Council's Housing and Finance teams will draw up estimates for income and expenditure and set rents that aim to ensure that there are no losses.
- 5.3 Where it appears that a particular property would incur a loss the first step will be to seek to negotiate a lower rent with the landlord. If this is unsuccessful but the Head of Housing Services nevertheless believes that the lease is still beneficial for the service the Head of Finance will be consulted to ensure that any losses can be met from within existing budgets. If this cannot be guaranteed then, if the landlord is willing to wait, a report will be brought to Executive seeking approval for an additional budget to meet the costs.
- 5.4 The use of such properties may also generate savings in that they would make the use of guest house/bed and breakfast accommodation (where the Council receives no offsetting income) less likely.
- 5.5 A Business Case will need to be drafted for each proposed lease setting out the projected costs and rental income. Any net costs, whereby the rental income (from tenants and housing benefit) is below the cost of the lease will need to be accommodated out of the Homelessness budget. The costs and income for each property will need to be monitored throughout the period of the lease.


6. Risks

- 6.1 The principal risks involved in leasing properties are: that the terms of the lease are unduly onerous upon the lessee; that the condition of the property is poor; and that the scheme finances do not stack up;
- 6.2 The mitigations for these have been set out above, namely that legal advice, a full survey of the property and a financial appraisal will all form part of the decision matrix.
- 6.3 Temporary accommodation inevitably carries a risk of higher void rates and more re-let repairs and this will be factored into the financial appraisal. However there is a possibility that the property may prove to be surplus to requirements at a later date and this will be mitigated by ensuring that break clauses are included within the lease.

7. Alternative Option(s) considered

- 7.1 The use of private sector leasing for temporary accommodation provides an additional option rather than an alternative.
- 7.2 It would be possible to bring a report to Executive for each property that comes forward through the scheme. However, as indicated above, landlords are seeking swift lettings and have other options due to the buoyant private rented sector in the district. Windfall opportunities would therefore be likely to be missed and delegated powers are therefore considered preferable.
- 7.3 The preferred option in most cases would be to purchase a property in which case a report would be submitted to Executive seeking approval for the purchase. The proposed delegated powers would only be for situations where

leasing was the only option or was shown to be a better option than purchase in a particular case following a full financial appraisal.

 Executive – 7th February 2018		Agenda Item No. 11
Title	Leisure Development Programme – Phase II (Kenilworth)	
For further information about this report please contact	Andy Jones Andrew.jones@warwickdc.gov.uk Rose Winship Rose.winship@warwickdc.gov.uk Paddy Herlihy Padraig.herlihy@warwickdc.gov.uk	
Wards of the District directly affected	Kenilworth Abbey Kenilworth Park Hill Kenilworth St Johns Stoneleigh & Cubbington Arden	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive November 2015 (Leisure Development Programme) Min 59	
Background Papers	Executive Nov 2014 – Sports & Leisure Vision and Principles	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes Ref No: 803
Equality Impact Assessment Undertaken	No
No decisions being taken on detail at this stage. EIA will be undertaken at appropriate stage as the project develops.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22/1/2018	Chris Elliott/Andrew Jones
Head of Service	22/1/2018	Rose Winship
CMT	22/1/2018	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	22/1/2018	Mike Snow
Monitoring Officer	22/1/2018	Andrew Jones
Finance	22/1/2018	Mike Snow Paul White (WCC Procurement)
Portfolio Holder(s)	22/1/2018	Cllr Coker
Consultation & Community Engagement		

<p>Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.</p> <p>Initial discussions with: Kenilworth Town Council, Kenilworth School, Kenilworth Wardens, Kenilworth Rugby Football Club, Kenilworth Scouts, Kenilworth Runners, Kenilworth Tennis, Squash and Croquet Club.</p> <p>Discussions planned with Friends of Abbey Fields Swimming Pool/"Save our Outdoor Pool" as part of consultation process</p>	
<p>Final Decision?</p>	<p>No</p>
<p>Suggested next steps (if not final decision please set out below)</p> <p>Proposals for next steps are contained in the body of the report</p>	

1. Summary

- 1.1 The report introduces the proposed approach to Phase II of the Leisure Development Programme (LDP) which focuses on Kenilworth and the north of the district. Phase I of the LDP has seen significant investment by the Council in leisure provision in Leamington and Warwick, and now it is the turn of Kenilworth to embark on an equally ambitious programme of work that will result in an integrated model of leisure provision, combining local authority, education and local sports club facilities for the benefit of the growing population of the north of the district.
- 1.2 There is a wide range of potentially complex projects included in Phase II which will require dedicated project management. Therefore the report seeks approval to make the temporary Programme Manager and Programme Officer posts permanent. Looking forward, these posts will take the lead on the development and implementation of other emerging "sports/ leisure projects".
- 1.3 Following the model used for Phase I of the LDP, the report also requests approval to use the budget allocated to Phase II to appoint professional services to progress this complex series of projects from inception to RIBA Stage 1. It will also include support for the public consultation process in the early stages of the projects.

2. Recommendations

- 2.1 That Executive agrees the proposed scope and objectives of Phase II of the LDP outlined in Appendix A and the proposed way forward to progress Phase II to RIBA Stage 2.
- 2.2 That members approve the budget be included within the 2018/19 Budget and the Medium Term Financial Strategy to allow the permanent posts of Sports Programme Manager and Sports Programme Officer to be added to the establishment, subject to approval by Employment Committee.
- 2.3 That in order to progress to RIBA Stage 1, the £100,000 allocated to Phase II and approved by Members in February 2017 as part of the 2017/18 Budget, is used to procure professional services (architects and external project management), cover legal costs and undertake essential surveys of the relevant sites.
- 2.4 That a further report will be brought to the Executive in early summer 2018 asking Members to agree the Phase II options and to approve a public consultation process on those options in summer 2018.
- 2.5 That the Members Working Group is retained to oversee Phase II of the LDP with membership of the group delegated to the Portfolio Holder for Culture and Head of Cultural Services.

3. Reasons for the Recommendations

- 3.1 Appendix A to this report describes the proposed scope and objectives of Phase II of the LDP and considers how the proposals advance the vision and principles that Members agreed in 2014 for leisure provision in the district. Appendix A also describes the context of the Local Plan and updates members on work that has been carried out to date with a range of local partners and sports clubs. Reference is made in Appendix A to lessons learned in Phase I of the LDP and

describes how the approach for Phase II will be refined in order to achieve the optimum results. Phase II could, if approved, be an ambitious and aspirational programme of work. As Kenilworth expands it will need to have modern facilities to serve its growing population and it is believed that Phase II will deliver this. It should be recognised that unlike Phase I, the Council now has Everyone Active as the operator of its leisure centres, and therefore reference is made in Appendix A to how this relationship will be impacted as Phase II develops.

- 3.1.1 The LDP is a key corporate project included in Fit for the Future (FFF). The impact of the LDP on the FFF strategy is captured in paragraph 4.1 of this report.
- 3.1.2 Significant growth is identified for Kenilworth in the Local Plan. Much of the growth is proposed to the eastern side of Kenilworth on land released from the Green Belt. Around 1,400 dwellings are allocated in this area on two adjoining strategic housing sites along with the employment land and education provision. A new Kenilworth School would replace the existing secondary school which is split across two sites and those existing sites are allocated for housing. Other facilities are likely to be provided to the eastern side of Kenilworth including a new primary school, community facilities and public open space/play facilities and there will be a need for new and enhanced highway/cycleway and footpath infrastructure to support the development.
- 3.1.3 As the existing Kenilworth Rugby Club and Kenilworth Wardens sites are allocated for housing in the Local Plan, new sites are allocated at Castle Farm (to the west of the town) and land east of Warwick Road (to the south) for outdoor sports provision, although they remain in the Green Belt. In order to guide development and ensure it is appropriately designed with the necessary infrastructure and delivered in a comprehensive manner, Development Services is preparing a Development Brief for the strategic sites to the eastern side of Kenilworth. It is anticipated that this will be adopted as a Supplementary Planning Document late Autumn 2018, with a period of public consultation prior to adoption.
- 3.1.4 In 2013 Members agreed and approved the "Vision and Principles" for the Council's sports and leisure provision. These underpinned Phase I of the LDP in Warwick and Leamington and therefore it is proposed that they should also set the context for Phase II.

Providing a Sports and Leisure service which is committed to delivering:

- Local Facilities, (built and playing pitches), for all sectors of the community.
- Modern Facilities, fit for purpose, with flexible spaces
- Value for Money, fair pricing, and long term financial stability
- Sustainable model for provision
 - o Promoting the service to current and new users
 - o Engaging current and new users in healthy lifestyle choices
 - o Supporting continued attendance and commitment
 - o Developing opportunities to advance and compete.

- 3.1.5. Over the last 2 years, officers have been working with a range of local sports clubs and other bodies to consider what sports and leisure provision may look like in and around Kenilworth in the future. To date dialogue has been had with the following:

- Kenilworth Town Council
- Kenilworth School and Sixth Form
- Kenilworth Wardens Cricket and Football Club
- Kenilworth Rugby Football Club
- Kenilworth Runners
- Kenilworth Tennis, Squash and Croquet Club
- Sport England and a range of National Governing Bodies of Sport (NGBs)

- 3.1.6 Officers have also been in regular dialogue with Warwick University which, given its proximity to the town and the current expansion of its sports facilities, is a key consideration as Phase II is scoped and developed. The University site was included in the refreshed Sport England Facility Planning Model work that the Council commissioned in 2017, the results of which will be used alongside the Local Plan to inform the number and mix of sports facilities that will be needed for Kenilworth and its surrounding area in the future.
- 3.1.7 It is proposed that as with Phase I of the LDP, Phase II is managed in line with RIBA stages (Appendix F) and that we learn wherever possible from the experiences of Phase I. The RIBA approach has been approved by Members as a robust method of managing such projects and ensures that resources are made available at the appropriate times to develop the programme and deliver quality buildings that are fit for purpose. It details tasks and outputs required at each stage which may vary or overlap to suit specific project requirements. It enables the Council to make decisions at appropriate stages of the project to ensure that they retain executive control over the project.
- 3.1.8 Subject to Members approval of the recommendations in this report it is intended that a further report will be brought to the Executive in early summer 2018 with a range of options that are considered to be appropriate and deliverable. Once Members have considered the options and agreed which they wish to be taken forward, a consultation exercise will be undertaken with members of the public, partners and other agencies, the results of which will inform a further Executive report and development of the projects to RIBA 2 (Concept Design). This would include: the impact of additional traffic movements on junctions, car parking and other users; ecological and environmental impacts, archaeological investigations and a number of other initial feasibility checks which could potentially result in a significant shift in the current cost modelling. Details of how the consultation exercise will be implemented will be included in the next report, however it will include opportunities for all sections of the community, stakeholders, community groups and "Friends of" groups to comment on the proposals and options.
- 3.1.9 It is anticipated that this initial report may well generate comments and feedback from the local community. Officers are proposing that any feedback received at this early stage will be collated and then considered at an appropriate time when developing the options for the next report back to the Executive.
- 3.1.10 This work completed at Stage RIBA 2 will not deliver detailed designs and specifications as these would follow in RIBA Stage 3. The work would however enable greater cost certainty to be brought before Members at the next stage.
- 3.1.11 It is recognised that some of the sites impacted by Phase II are highly sensitive. Therefore public consultation at an early stage, before any major decisions have been made, is considered essential. This next stage will also offer the opportunity for groups such as the Friends of Abbey Fields and the

Save our Swimming Pool group to build on their initial views on what should be included in the Phase II project and comment on the proposals and options.

3.2 Creation of two new permanent posts within the Cultural Services team:

3.2.1 These proposals are based on the learning from Phase I (Appendix B) and consideration of a growing number of FFF and service area projects that will require coordinated project management over the next 4/5 years.

3.2.2 It is recognised that Phase II comprises a number of complex projects and involves close partnership with a number of external organisations. Each project will have its own challenges and will need careful management if the wider Phase II is to be delivered effectively. The Programme Manager will be responsible for coordinating the work on these various projects and ensuring that agreed milestones are being met.

3.2.3 Phase I of the LDP (construction works and appointment of an external management partners) was managed by the Programme Manager who was appointed in Feb 2015 on a fixed term contract. This contract has been extended twice as the Phase I project progressed from initiation to implementation. What is now evident is that with the potential significant list of projects there needs to be an appropriate resource with the appropriate level of programme management skills to manage and enable these projects to be delivered (Appendix D).

3.2.4 Phase I benefitted from the addition of a temporary Programme Officer being added to the team 18 months into the Programme. Based on the experience of Phase I, it is recommended, given the effectiveness of this post in Phase I, and the increased number of projects now in the workplan, that subject to approval by Employment Committee in March 2018, both posts are made permanent.

3.2.5 It is proposed that the project manager position already approved for the development of the Community Football Stadium proposed North of Gallows Hill, Warwick becomes part of the Sports Programme team, reporting to the Programme Manager. This will allow the team to benefit from a degree of skill and knowledge sharing, and will build in an element of resilience to the team., The Programme Manager will have a key role in influencing decisions around the facility mix that is incorporated in to the project and bringing sports organisations together to ensure that the final design is correct and that usage of this facility and the associated development on this site is maximised within the community. These latter elements of the project will be enhanced if the role is managed from within Cultural Services where experienced "sports and leisure officers" are on hand to advise and support as required.

3.2.6 Other potential projects that are anticipated to be led by this team include:

- future refurbishment or relocation of the athletics track
- future investment in and management of sports pavilions
- Commonwealth Games – legacy projects as appropriate
- Project support for Whitnash Community Hub project

3.3 Phase II follows the model used for Phase I in the proposal to appoint professional services initially to work with the Council to progress the the project to RIBA 1, and then, subject to there being an appetite for the projects to progress, to work with the Council through to delivery. Professional services are required to produce plans, coordinate surveys, advise on the "art of the

possible”, and to produce plans that can be used for consultation exercises once Executive approve the options (Stage 1).

3.4 The Design Team appointed for the project will produce concept diagrams (otherwise known as ‘blob diagrams’) that will show a number of options for the developments of Phase II in Kenilworth. These will show the general arrangements of different facility groupings that would be possible at each venue, given known constraints and freedoms, latent demands and sporting and commercial opportunities. The purpose of these diagrams will be to guide a discussion and a further Executive report to approve a range of options and proposals before these are then presented to the public, in order to ensure that the public are not asked to comment on any proposals that are fundamentally unacceptable to the Council. Once the acceptable elements are established, these diagrams will be used to guide a public consultation exercise designed to obtain priorities and proposals from the community.

3.5 Members approved the formation of a cross party Member Working Group to oversee Phase I. It is proposed that this group is retained and the membership reviewed to reflect the focus of Phase II on Kenilworth. As it is proposed that consultation with members of the public and partner organisations takes place at an earlier stage in Phase II, it will be essential that the Member Working Group are engaged in the project from the start and work with officers to ensure that key messages are relayed in the most appropriate way.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council’s Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.”

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		

Improved health for all Increased physical activity for all the community Impressive cultural and sports activities Cohesive and active communities	Area has well looked after public spaces All communities have access to decent open space	Dynamic and diverse local economy Increased employment and income levels
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The proposal to make the 2 posts permanent provides job security and improves the opportunities to attract appropriate candidates for the posts.	Focusing on our customers' needs	Better return/use of our assets Increased concession fee from Everyone Active Maximise income earning opportunities Seek best value for money

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:

4.2.1 Local Plan

The newly adopted Local Plan (September 2017) provides the long-term spatial vision for development in the District until 2029 and sets out the Council's policies and proposals to support development. Significant growth is identified for Kenilworth in the Local Plan, with nearly 2,000 new dwellings being allocated across 6 sites together with 8 hectares of new employment land, education facilities including a new secondary school and primary school and new sites for relocated outdoor sports facilities.

4.2.2 Playing Pitch Strategy and Indoor Sports Facilities Strategy

These strategies were initially established in 2014 and 2015 respectively having carried out comprehensive audits of local provision and needs. The Council formally adopted both Strategies which now form the basis for development of the district's sporting provision. Both have been key evidence documents for the Local Plan, in securing s106 contributions from developers to date and in establishing robust relationships with Sport England and national governing bodies of sport. It is essential that these documents remain up to date and at present work is underway to refresh the data that underpins the strategies and refresh the strategies where appropriate. This work on the Indoor Sports Strategy will be completed shortly, and the Playing Pitch Strategy will be completed later this year. Both will be key evidence documents for Phase II and for other major sports and leisure projects in the future.

4.3 Changes to Existing Policies

None

4.4 Impact Assessments

Impact assessments are not considered appropriate at this stage but will follow at subsequent stages when options are being developed.

5. Budgetary Framework

5.1 A budget of £100,000 was approved by the Executive in Feb 2017 as part of the 2017/18 budget to fund professional services associated with the initial stage of Phase II. Broadly the estimated costs to progress to RIBA Stage 1 are as follows:

- Professional fees £70,000
- Surveys £10,000
- WLS legal fees £11,000

5.2 In September 2017, the Executive approved the budget to allow the extension of the Programme Manager and Programme officer posts until September 2018 and the Employment Committee subsequently approved the extension of both fixed term contracts. The additional costs of £55,800 were funded from the Leisure options Reserve.

5.2.1 If the Programme Manager and Programme Officers posts are to be made permanent, this will entail an additional cost of £42,000 in 2018/19 and £98,000 per annum thereafter. These amounts should be included in the 2018/19 Budget and Medium Term Financial Strategy, for agreement by Members as agreeing the 2018/19 Budget.

5.3 The current operator of the Council's facilities in Kenilworth is Everyone Active. Although they were aware at the time of bidding for the 10 year contract that the Council was minded to refurbish its facilities in Kenilworth, the company was clearly not able to know what plans would be proposed, and so no additional income was allowed for from any future developments.

5.3.1 Everyone Active will be closely involved in the design and content of the refurbishment plans throughout the development of the project. When a definite proposal is available for consideration, Everyone Active will recalculate their income and expenditure on the basis of the new opportunities, and inform

the Council what the proposed changes would do to the sum paid to the Council.

- 5.3.2 If the Council agrees to this change to the sum paid to the Council, then a revised financial deal will be agreed between the Council and Everyone Active. If the Council does not agree to the change proposed, then it can ask Everyone Active to re-consider, it can change the refurbishment proposals or it can decide not to go ahead with the refurbishment.
- 5.3.3 In this way, although the Council has an existing operator, it will be able to negotiate a new financial deal with Everyone Active that will ensure an acceptable increase in the sum received from the operator. Indeed, it could be argued that it is in a stronger position than it was when it was planning the refurbishments in Phase I, because this time it will know exactly what effect the changes will have on the sum received.
- 5.3.4 The uplift agreed with Everyone Active can then be used to offset any borrowing that has been made to fund the works to the facilities, and the additional costs of the 2 new permanent posts.
- 5.4 No final decisions have yet been taken regarding the specific route to procure the professional services required to support this project. However based on the estimated value (circa £100k), advice from WCC Procurement officers is that the most appropriate route would be use of an existing 'Framework' or for the Council to conduct its own tender exercise. The final route to market will however be determined once there is clarity about related issues such as timescales, available budget, final scope of works etc.
- 5.5 A indicative project budget will be produced on completion of RIBA Stage 2, at which point a detailed business case for the investment will be produced and funding options will be developed.

6. Risks

Risks at this stage:

- There is a risk that it is not possible to progress elements of Phase II due to financial or other reasons. Therefore there is an associated risk of raising expectations of partners or members of the public following the initial consultation.
- Risk of Kenilworth School not securing their site and/or funding for new provision
- Risks related to Wardens proposed relocation to Castle Farm and/or the relocation of Kenilworth Rugby Club to the land east of Warwick Road.

7. Alternative Option(s) considered

- 7.1 We could focus solely on WDC owned assets and not engage with partners – impact on delivery of Local Plan re the school, Wardens; also not able to look at the wider picture across the town.
- 7.2 We could continue with temporary posts rather than making them permanent

APPENDICES:

- A: Scope and Objectives of Phase II of the Leisure Development Programme
- B: Learning points from Phase I
- C: Staffing structure showing new posts
- D: Projects 2018 onwards
- E: Before and after photos of development at Newbold and St Nicholas Park
Leisure Centres
- F: RIBA Project Stages



RIBA
Plan of
Work
2013

RIBA

The RIBA Plan of Work 2013 organises the process of briefing, designing, constructing, maintaining, operating and using building projects into a number of key stages. The content of stages may vary or overlap to suit specific project requirements. The RIBA Plan of Work 2013 should be used solely as guidance for the preparation of detailed professional services contracts and building contracts.

www.ribaplanofwork.com

RIBA Plan of Work 2013	Stages	0	1	2	3	4	5	6	7
	Tasks	Strategic Definition	Preparation and Brief	Concept Design	Developed Design	Technical Design	Construction	Handover and Close Out	In Use
Core Objectives		Identify client’s Business Case and Strategic Brief and other core project requirements.	Develop Project Objectives , including Quality Objectives and Project Outcomes , Sustainability Aspirations , Project Budget , other parameters or constraints and develop Initial Project Brief . Undertake Feasibility Studies and review of Site Information .	Prepare Concept Design , including outline proposals for structural design, building services systems, outline specifications and preliminary Cost Information along with relevant Project Strategies in accordance with Design Programme . Agree alterations to brief and issue Final Project Brief .	Prepare Developed Design , including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies in accordance with Design Programme .	Prepare Technical Design in accordance with Design Responsibility Matrix and Project Strategies to include all architectural, structural and building services information, specialist subcontractor design and specifications, in accordance with Design Programme .	Offsite manufacturing and onsite Construction in accordance with Construction Programme and resolution of Design Queries from site as they arise.	Handover of building and conclusion of Building Contract .	Undertake In Use services in accordance with Schedule of Services .
Procurement <small>*Variable task bar</small>		Initial considerations for assembling the project team.	Prepare Project Roles Table and Contractual Tree and continue assembling the project team.	The procurement strategy does not fundamentally alter the progression of the design or the level of detail prepared at a given stage. However, Information Exchanges will vary depending on the selected procurement route and Building Contract . A bespoke RIBA Plan of Work 2013 will set out the specific tendering and procurement activities that will occur at each stage in relation to the chosen procurement route.			Administration of Building Contract , including regular site inspections and review of progress.	Conclude administration of Building Contract .	
Programme <small>*Variable task bar</small>		Establish Project Programme .	Review Project Programme .	Review Project Programme .	The procurement route may dictate the Project Programme and may result in certain stages overlapping or being undertaken concurrently. A bespoke RIBA Plan of Work 2013 will clarify the stage overlaps. The Project Programme will set out the specific stage dates and detailed programme durations.				
(Town) Planning <small>*Variable task bar</small>		Pre-application discussions.	Pre-application discussions.	Planning applications are typically made using the Stage 3 output. A bespoke RIBA Plan of Work 2013 will identify when the planning application is to be made.					
Suggested Key Support Tasks		Review Feedback from previous projects.	Prepare Handover Strategy and Risk Assessments . Agree Schedule of Services , Design Responsibility Matrix and Information Exchanges and prepare Project Execution Plan including Technology and Communication Strategies and consideration of Common Standards to be used.	Prepare Sustainability Strategy, Maintenance and Operational Strategy and review Handover Strategy and Risk Assessments . Undertake third party consultations as required and any Research and Development aspects. Review and update Project Execution Plan . Consider Construction Strategy , including offsite fabrication, and develop Health and Safety Strategy .	Review and update Sustainability, Maintenance and Operational and Handover Strategies and Risk Assessments . Undertake third party consultations as required and conclude Research and Development aspects. Review and update Project Execution Plan , including Change Control Procedures . Review and update Construction and Health and Safety Strategies .	Review and update Sustainability, Maintenance and Operational and Handover Strategies and Risk Assessments . Prepare and submit Building Regulations submission and any other third party submissions requiring consent. Review and update Project Execution Plan . Review Construction Strategy , including sequencing, and update Health and Safety Strategy .	Review and update Sustainability Strategy and implement Handover Strategy , including agreement of information required for commissioning, training, handover, asset management, future monitoring and maintenance and ongoing compilation of ‘ As-constructed ’ Information . Update Construction and Health and Safety Strategies .	Carry out activities listed in Handover Strategy including Feedback for use during the future life of the building or on future projects. Updating of Project Information as required.	Conclude activities listed in Handover Strategy including Post-occupancy Evaluation , review of Project Performance , Project Outcomes and Research and Development aspects. Updating of Project Information , as required, in response to ongoing client Feedback until the end of the building’s life.
Sustainability Checkpoints		Sustainability Checkpoint — 0	Sustainability Checkpoint — 1	Sustainability Checkpoint — 2	Sustainability Checkpoint — 3	Sustainability Checkpoint — 4	Sustainability Checkpoint — 5	Sustainability Checkpoint — 6	Sustainability Checkpoint — 7
Information Exchanges (at stage completion)		Strategic Brief .	Initial Project Brief .	Concept Design including outline structural and building services design, associated Project Strategies , preliminary Cost Information and Final Project Brief .	Developed Design , including the coordinated architectural, structural and building services design and updated Cost Information .	Completed Technical Design of the project.	‘ As-constructed ’ Information .	Updated ‘ As-constructed ’ Information .	‘ As-constructed ’ Information updated in response to ongoing client Feedback and maintenance or operational developments.
UK Government Information Exchanges		Not required.	Required.	Required.	Required.	Not required.	Not required.	Required.	As required.

*Variable task bar – in creating a bespoke project or practice specific RIBA Plan of Work 2013 via www.ribaplanofwork.com a specific bar is selected from a number of options.

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Scope and Objectives of Phase II of the Leisure Development Programme

INTRODUCTION

In November 2015 when members agreed to Phase I of the Leisure Development Programme (LDP), it was also agreed that Phase II of the LDP would focus on Kenilworth and the north of the district. At that point, no timescale was put to Phase II as it was very much dependent on the adoption of the Local Plan and some further clarity was required around a number of related projects that involved potential partners including Kenilworth Town Council, Kenilworth School, Kenilworth Wardens, Kenilworth Rugby Football Club and Warwick University.

Officers have been working closely with these partners and others over the last 2 years to consider opportunities for bringing together the aspirations of these organisations with those of Warwick District Council to produce an integrated “Vision for Kenilworth” that would deliver a wide range of sports and leisure facilities for the current and future population of this part of the district.

We are now at a point where we need to gather together the various projects that have been developing with our partner organisations and work up an integrated vision and a range of options in advance of consultation with partners and members of the public.

Phase I of the LDP has seen significant investment in WDC leisure facilities in both Warwick and Leamington Spa. The public leisure centres at Newbold Comyn and St Nicholas Park have benefitted from over £15million investment to refurbish and expand the provision, make them fit for purpose for the future, and provide appropriate services for the growing population in the south of the District (Appendix E) . It is now the turn of Kenilworth and the surrounding area to consider what is required and to enjoy the opportunity to deliver on its aspirations that will, on completion of Phase II, leave the north of the District with a tremendous range of modern sports facilities for the foreseeable future.

STRATEGIC OBJECTIVES/CONTEXT

WDC Fit for the Future:

1. Health & Wellbeing

The proposal to upgrade and expand the leisure provision in Kenilworth aligns perfectly with the Health strand of the FFF. Like Phase I of the Leisure Development Programme there should be a focus on providing facilities that will deliver on the objectives of the Sport England Strategy ‘Towards an Active Nation’ which highlights the vital role that sport and physical activity can play in the health of communities. The Strategy explicitly focuses on the need to get those who are currently “inactive” involved in activity, and the need to have quality facilities to support this objective. It is essential that facilities offer a range of provision that suits all sectors of the community and is designed in such a way that makes the facilities attractive and easily used.

2. Cleaner, Greener, Safe

There are opportunities in the refurbishment of the existing facilities, and in the construction of any new facilities, to ensure that they are designed in a way that maximises the sustainability of the facilities, and allows customers to access them in a sustainable way. This will latter point will be of particular relevance when considering modes of transport to Abbey Fields and Castle Farm facilities where car parking is limited; opportunities to encourage walking and cycling to these facilities will be explored as part of the project.

3. Infrastructure, Enterprise and Employment

These proposed projects will support the growth of the leisure market within the local economy and provide new sports and leisure facilities for the growing size of the population in Kenilworth. Early engagement with colleagues in Development Services and partners including Heritage England will ensure that the projects contribute to strong development in sensitive locations through the construction of attractive and appropriate leisure facilities.

WDC Local Plan:

The newly adopted Local Plan (September 2017) provides the long-term spatial vision for development in the District until 2029 and sets out the Council's policies and proposals to support development.

Significant growth is identified for Kenilworth in the Local Plan, with nearly 2,000 new dwellings being allocated across 6 sites together with 8 hectares of new employment land, education facilities including a new secondary school and primary school and new sites for relocated outdoor sports facilities.

Much of the growth is proposed to the eastern side of the town on land released from the Green Belt. Around 1,400 dwellings are allocated in this area on two adjoining strategic housing sites along with the employment land and education provision. A new Kenilworth School would replace the existing secondary school which is split across two sites and those existing sites are allocated for housing. Other facilities are likely to be provided to the eastern side of Kenilworth including a new primary school, community facilities and public open space/play facilities and there will be a need for new and enhanced highway infrastructure to support the development.

As the existing Kenilworth Rugby Club and Kenilworth Wardens sites are allocated for housing in the Local Plan, new sites are allocated at Castle Farm (to the west of the town) and land east of Warwick Road (to the south) for outdoor sports provision, although they remain in the Green Belt.

Kenilworth Development Brief

In order to guide development and ensure it is appropriately designed with the necessary infrastructure and delivered in a comprehensive manner, Development Services are preparing a Development Brief for the strategic sites to the eastern side of Kenilworth. It is anticipated that this

will be adopted as a Supplementary Planning Document late Autumn 2018, with a period of public consultation prior to adoption.

Kenilworth Town Council Neighbourhood Plan:

In developing plans and options for Phase II, officers will liaise with Kenilworth Town Council (KTC) to consider the results of the consultation undertaken by KTC as part of the Neighbourhood Plan. It is acknowledged that transport provision is a key element when considering leisure provision as is working in partnership with sports clubs and other local organisations who may wish to have an input into this project.

WDC Indoor Sports Strategy and Playing Pitch Strategy:

In 2014 a facility audit was undertaken by Neil Allen Associates (NAA) to establish whether the range of leisure facilities was appropriate for the District, and if this provision would be able to meet the future needs and demands of the local community. The audit concluded that when using the Sport England Facility Planning Model (FPM), the existing provision was largely in the right place and was providing a suitable range of activities and facilities for the people of Warwick District. There was no evidence to suggest that any of the facilities were under-used nor that there were parts of the District that did not have reasonable access to facilities. The model also took account of the anticipated growth of population in the District and at the time of assessment, used the then Local Plan figures to calculate demand. The audit recommended that the present facilities were retained, but that investment was made to bring the facilities up to modern standards and extended to provide additional health and fitness provision and an additional sports hall (located in Leamington). Based on these findings Phase I of the Leisure Development Programme was established in Warwick and Leamington, with a decision to address provision in Kenilworth on the completion of Phase I.

Given the constantly evolving nature of development in and around Kenilworth, an update of the audit was commissioned in 2015, again using the Facility Planning Model, and concluded that despite the additional housing growth, and the increased provision planned by both Warwick University and City of Coventry, there was no evidence to suggest that the approach for Phase II should be changed ie to base provision on existing facilities but with modernisation and expansion as appropriate.

Work is underway at the time of writing this report to update the Playing Pitch Strategy based on current data, and to refresh the Indoor Facilities Strategy to reflect the latest development sites in the north of the district and the aspirations of a number of Kenilworth based sports clubs. The updated strategies should be available later in 2018 and will inform Phase II as it evolves.

OBJECTIVES OF THE LEISURE DEVELOPMENT PROGRAMME

In 2013, prior to the Council committing to investment in its leisure facilities, Councillors agreed a Vision and a series of Principles to underpin future leisure provision in the district. It is proposed that this vision and principles should also set the context for Phase II.

That the Council was committed to providing a Sports and Leisure service which delivers:

- Local Facilities, (built and playing pitches), for all sectors of the community.
- Modern Facilities that are fit for purpose, with flexible spaces
- Value for Money, fair pricing, and long term financial stability
- Sustainable model for provision
 - o Promoting the service to current and new users
 - o Engaging current and new users in healthy lifestyle choices
 - o Supporting continued attendance and commitment
 - o Developing opportunities to advance and compete.

Phase I of the LDP has seen significant investment by the Council in leisure provision in Leamington and Warwick, and now it is the turn of Kenilworth to embark on an equally ambitious programme of work that will result in an integrated model of leisure provision, combining local authority, education and local sports club facilities for the benefit of the growing population of the north of the district.

As described in the accompanying report Everyone Active will be involved in the design and development of options for Phase II. When a definite proposal is available for consideration, Everyone Active will recalculate their income and expenditure on the basis of the new opportunities, and inform the Council what the proposed changes would do to the sum paid to the Council. If the Council agrees to this change to the sum paid to the Council, then a revised financial deal will be agreed between the Council and Everyone Active. If the Council does not agree to the change proposed, then it can ask Everyone Active to re-consider, it can change the refurbishment proposals or it can decide not to go ahead with the refurbishment.

PROPOSED KEY ELEMENTS OF PHASE II

Overall Vision:

- The vision for Kenilworth as a whole should be aspirational in order to deliver provision that is fit for purpose for the foreseeable future.
- Proposals should not assume existing facilities remain as now with extra facilities/space bolted on. Proposals should consider how best to use the space available to us; this may involve a change in how space is currently used.
- Proposals should look at provision across Kenilworth rather than focussing on WDC assets in isolation. However, when considering investment, the Programme will concentrate on WDC assets and how they can be improved.
- “Health and Fitness” provision needs to be extended. Increased gym and studio space is required, but there are many ways that this can be achieved. This may include a public access gym at the school to serve the residents at the north of the town. Given the highly competitive health & fitness market, discussions should be held with Everyone Active regarding the “type” of gym that would best suit the demographic, remaining aware that some users do not want large gyms.
- What commercial opportunities could there be within any new facilities in addition to those currently operated by Everyone Active, that would increase the return from the facilities?
Eg: cafes, commercial crèche; treatment rooms

Abbey Fields:

- Proposals should look at the whole park and consider what could be achieved for the park and the facilities within it, whilst being aware of the constraints. The facilities to consider should include the swimming pools, tennis courts, play areas, parking, cycle route, and should also consider options to add new facilities to this site eg Visitor Centre.
- Abbey Fields swimming provision could be expanded to include a teaching pool, flexible water space, a smaller outdoor fun pool/splash park. Consider family usage in addition to lane swimming and teaching.
- Should also include the opportunities for expanded café provision at this site serving the leisure centre and the park.
- What “dry” activities would work at Abbey Fields alongside the swimming?
- Is there an opportunity to add some flexible indoor space at Abbey Fields that could double up as teaching room, studio, meeting room?
- Consider bringing the current park public toilets into the new building, enabling the quality of the public toilets to be improved and better maintained and supervised.

Castle Farm Recreation Centre and sports fields:

- Proposals should look at the whole area including the leisure centre, petanque terrain, skateboard ramp, play area, football pitches, Scouts area, car parking and consider how best to use the area in future (in parallel with the proposals from the Wardens).
- Kenilworth Wardens proposals anticipate a planning application in early 2019, construction commencing in 2019, and the club moving from Glasshouse Park in autumn 2021 to start the 2021 football season at Castle Farm.
- Proposals should consider if there is an opportunity to move the Scouts from Castle Farm, and initial discussions have taken place with the Scouts who are not opposed to this in principle providing that they are no worse off than at present. This will depend on land ownership issues and agreement with 3rd parties. This would widen options with the Castle Farm building either in its current form or as a completely remodelled site.

Kenilworth School – new site:

- Relocation of Kenilworth School is a key element of the Kenilworth Development Brief – see above
- Provision for community access at Kenilworth School needs to be no less than is currently enjoyed at Meadow Community Sports Centre and other school spaces. There is an opportunity for this to be significantly enhanced, dependant on the availability of finance.
- Discussions continue with the school and Arup to agree the layout of the site to make the sports facilities optimal for community use as well as school use.

Local sports Clubs – including but not limited to: Kenilworth Wardens, Kenilworth RFC, Kenilworth Tennis and Squash Club, Kenilworth Town FC.

- The project will seek to consider the overall provision of football facilities in Kenilworth, working with local clubs to make best use of existing facilities and consider opportunities to develop provision in line with the Playing Pitch Strategy. This will include the work already underway with Wardens Football Club but will include other local clubs too.
- Whilst not strictly in Kenilworth, the project will also include the ongoing dialogue with Khalsa Hockey Club and the clubs emerging plans on the Bericote Lane site to make it more of a community facility. The Council are keen to explore opportunities to include community use as part of this project and will continue to work with the club to this end.
- In the same way as considering the wider provision of football, the project will also look at tennis provision across the town and investigate opportunities to improve provision and make it more accessible to all sectors of the community.

PLANNING CONSIDERATIONS

Design statements:

- The design stage of Phase II is an opportunity to get Councillors and local people excited about the opportunities that exist within the sites and understand what future provision could look like. If individuals can see what they would be getting at the end of the project this may assist when difficult decisions about car parking and cycle access for example are required.
- A design statement will be developed for each site at the next stage of the project. This will describe the key design principles, the proposed facility mix', design features, how it would be used, and how it would work with the rest of the site to make it a destination rather than just stand alone leisure centre.

Transport considerations

- There is an opportunity to review the car parking strategies at Abbey Fields and Castle Farm as part of Phase II. This would include raising awareness of other car parks that could be used by customers of the leisure facilities (eg Abbey End, Kenilworth Castle etc) in addition to those on site at Abbey Fields and Castle Farm.
- We should extend this work to consider cycle routes and connectivity in and around the town, walking routes and signposting etc to encourage sustainable travel options .May need to include incentives for leisure centre customers using the car parks further away or use of cycles to deter use of on site car parking.

Heritage constraints

- Abbey Fields - as Members will be aware the swimming pool is within the site of a Scheduled Ancient Monument and therefore any proposals to extend or develop this

site will need to be done so in liaison with Heritage England and the appropriate consents sought before any proposals can be considered viable.

- Castle Farm – likewise, development within the site of Castle Farm and adjoin public open space is also of a sensitive nature given its historical significance and proximity to Kenilworth Castle. Therefore similar caution will be required in developing proposals for this site.

Leisure Development Programme - Learning Points from Phase One

Project Governance

- Involving Councillors through a Members' Working Group worked well in engagement terms for all political parties. It helped to disseminate accurate information about the progress of the project and it enabled all parties to provide input into the design.
- Ensure that all members of the Project Board have a positive input to make to the project, otherwise the Project Board can become a update presentation rather than a meeting.
- The project sponsor needs to be involved at the start and to be part of the initial relationship development with the project management company. Regular briefings for the project sponsor throughout the project are essential.
- Close involvement of Project Sponsor and relevant Portfolio Holders was beneficial to the project . This was particularly valuable to the progress of the project at times when key decisions (e.g. on funding) were required.

Project Management

- Ensure that the Project Manager has sufficient time to devote to the project and that the respective officer roles are clear at the start of the project to avoid duplication or poor communication within the wider project team.
- Ensure a better record of the management process (and particularly the change process) is maintained in electronic and paper form in-house. Do not over-rely on the Project Management Company to do this for you.
- Ensure that Client Instruction Requests are normally completed in advance of work being agreed.
- Be aware if two or more work streams are likely to cause resource implications at the same time, and ensure that both are resourced adequately. The term 'adequate resources' includes resilience within the structure of the team so that work is not too concentrated in a few individuals for long periods of time.
- Be aware that some tasks (such as ordering changes to services or doing any work in conjunction with the Highways Department at the County Council) have long lead-in times, and so it may well be urgent that preparations and ordering are completed long before the finished works are required.
- If using the NEC contract, ensure that the contractor takes "single design point responsibility".
- Ensure that project team schedule time in advance for planning activities.
- People take on board information in different ways – ensure that information is available in different formats (including plans, drawings etc).
- Be prepared to take difficult decisions for the longer term benefit of the project if required (eg delaying start of works if this would mean works would progress more smoothly once difficult issues resolved).

The design process

- Do as much as possible to engage early with utility providers in order to under the most appropriate surveys to accurately locate all utilities/services on the site as early as possible in the project .
- Do not communicate a precise cost on the project too early in the design process – refer instead to a likely range of costs until the point of cost certainty is reached.
- We should see more examples of completed facilities at different stages, such as one year after project completion and three years and so on. The project team would have been better able to make selection choices on things like fixtures and fitting if more examples of previous installations had been investigated.
- Make sure that the Project Management Company/architect takes the client through the designs in some considerable detail and then ask them to point out small details that can make a big difference to the design, in order to save time and money later on. Examples are colours of tiles and location of power points.
- For areas to be refurbished, make sure that all existing fixed equipment and plant is thoroughly surveyed so that all equipment that is close to the end of its useful life is replaced, rather than having to add new items for replacement later in the project.

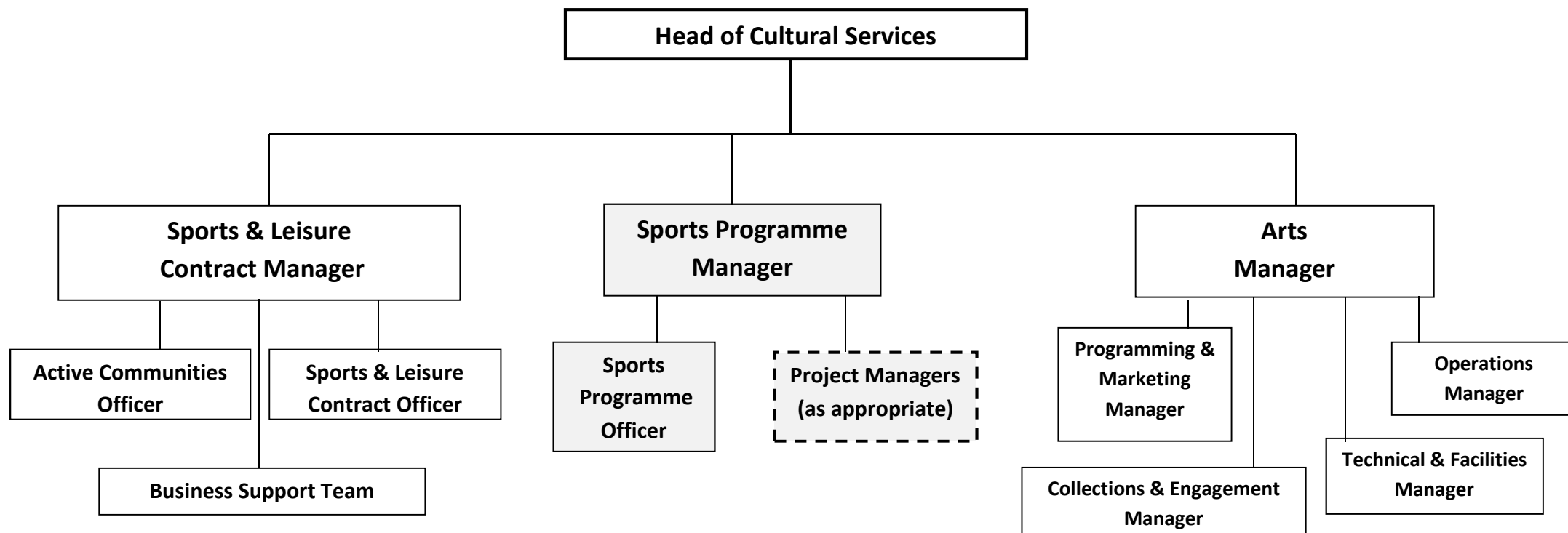
Consultation

- Consult the public twice – once at RIBA Stage 0 and once at RIBA Stage 2. At the appropriate point once designs finalised, be very clear about what the finished product is in order to manage expectations of the public.
- There were times when responding to public enquiries in detail took up too much resource. We need to devise a method of engaging the public without allowing conversations around issues of minutiae to take up too much officer time, perhaps with a single point of contact and an allocated resource.
- Run a design workshop for staff and Councillors at the same time as public consultations.
- Involve the Green Spaces team early on in any considerations of impact on the environment or the green infrastructure to be installed.
- Giving the media an exclusive viewing of completed Phase 1 works was effective and resulted in positive coverage of the work carried out.

Project Resources

- Having regular (weekly) access to specialist internal officer resources (eg Media, Finance) was effective during key periods of the programme. Consider other internal resources that this could work with.
- Do not underestimate the benefit of specialist procurement and legal expertise (NEC contract etc). Early engagement and forward planning with these officers would benefit the project.

Appendix C



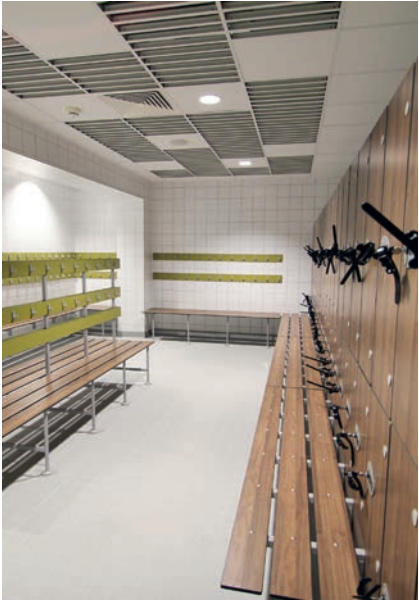
Appendix D


Sports and Leisure - Corporate and Key Projects (2018 onwards)

		2018												2019											
Lead officer	Project	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
PH/RW	LDP Phase I																								
PH/RW	LDP Phase II																								
TBC/CE	Community Stadium																								
TBC	Pavilions Asset Transfer Feasibility																								
TBC/RW	Commonwealth Games legacy projects																								
TBC/SW/AJ	Golf Course Options Appraisal																								
AJ/DC	Whitnash Community Hub																								



Leisure Centre Refurbishment Phase I



 Executive 7th February 2018		Agenda Item No. 12
Title	Events Review Update	
For further information about this report please contact	Dave Barber Policy and Projects Manager 01926 456065 Dave.barber@warwickdc.gov.uk and James Deville Business Support and Events Manager 01926 456012 James.deville@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	28th November 2017 (O&S Scrutiny) Minute no. 57	
Background Papers	Report to O&S Scrutiny 30/8/17 Report to O&S Scrutiny 28/11/17	
Contrary to the policy framework:	No	
Contrary to the budgetary framework:	No	
Key Decision?	Yes	
Included within the Forward Plan? (If yes include reference number)	Yes (832)	
Equality Impact Assessment Undertaken	No	
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	12/1/18	Bill Hunt
Head of Service	11/1/18	Tracy Darke
Section 151 Officer	12/1/18	Mike Snow
Monitoring Officer	12/1/18	Andy Jones
Finance	12/1/18	Mike Snow
Portfolio Holder(s)	11/1/18	Cllr Noel Butler
Consultation & Community Engagement		
Engagement with event organisers and other stakeholders has taken place as part of the review of events		

1. Summary

- 1.1 A review of events was commenced in early 2017 to:
- a) To identify and deliver opportunities to enhance the strategic planning of events to maximise the economic and community benefits of events
 - b) To ensure the operational management of events delivers safe, successful and vibrant events, which maximise economic and community benefits
 - c) To ensure that the service delivered to customers is efficient, transparent and accessible aiding in delivering a diverse calendar of events
 - d) To consider the financial implications of supporting events both in terms of the Council's costs and resources and in terms of charges to event organisers
- 1.2 This report sets out the steps to be undertaken to complete the review and as part of this highlights particular issues that need to be addressed. It recommends an action plan is agreed and implemented to improve the events service. The report also recommends that charges for events that take place in the Councils Parks and Open Spaces should no longer be made with a consequential adjustment to the budget required.

2. Recommendations

- 2.1 That the Action Plan set out in Appendix 1 be agreed and implemented
- 2.2 That progress on the delivery of the Action Plan be reported to Overview and Scrutiny Committee in the second and fourth quarters of 2018/19.
- 2.3 That event organisers are no longer charged for using WDC parks for events and that members note that the resulting loss of income of around £3000 will be reflected in an adjustment to income forecasts for 2018/19 and thereafter reflected in the Medium Term Financial Strategy.

3. Reasons for Recommendations

- 3.1 Recommendation 2.1: Arising from the review officers have developed a series of actions which seek to address the issues and to build on the ideas arising from the Stakeholder Engagement. This Action Plan is set out in Appendix 1 and an explanation of each action along with proposed timetable is also included. In many cases, alternative options that have been considered are also set out. If agreed, a number of the actions will lead to further work to consider in detail the way forward in relation to some of the more complex issues. Overall, it is expected that the Action Plan will provide for a more consistent and supportive approach to events which recognises the vital economic and community value that events bring.
- 3.2 Recommendation 2.2: Overview and Scrutiny Committee has received two reports on progress during the events review. If the Action Plan set out in Appendix 1 is approved, it is vital that this is implemented during 2018/19. It is therefore proposed that the Overview and Scrutiny Committee received six monthly updates on progress during 2018/19 so that implementation can be tracked.
- 3.3 Recommendation 2.3: At present events organisers are charged for using parks on a sliding scale with the maximum charge being £180 per day. This charge has been made to cover the cost of damage to parks resulting from events so that parks can continue to be maintained at a high standard. In total, this

charge brings in an income of around £3000 per annum (£2830 in 2017) to the events budget.

- 3.4 Whilst this approach helps to cover some of the Council's costs, there are anomalies in that similar charges are not made to cover the other costs such as waste collection, relocation of taxi ranks or the provision of parking permits where parking bays are lost. As a result, events that take place on the street are not charged for (even though these often result in more work and potentially more disruption), whilst events in parks are charged for. It is therefore proposed that the charge for use of parks for events is no longer made. As well as enabling a fairer approach to events charging, this reduction in costs to event organisers will help events in the District to continue to thrive in the context of increasing costs elsewhere (road closures, security measures, licensing etc). It has been clear from the stakeholder engagement, that event organisers are increasingly concerned about rising costs and the implications of this for their events. By ceasing to charge for the use of parks, the Council is recognising the vital importance of events to economic and community well-being. The impact of this will be to reduce annual income by around £3000.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and Anti-Social Behaviour (ASB)	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
A vibrant range of community events across the District	Maintenance of high quality public spaces	Events that directly support the economic wellbeing of the District
Maintenance of high quality public spaces		Events that enhance the reputation and perception

		of the District as a great place to visit with resulting ongoing, indirect economic benefits
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Well trained staff who provide consistent support and are enable to ensure events are safely managed and provided to a high quality	Staff work together to ensure the impact of events on public spaces and other facilities is managed and where necessary remediated	Effective use of Council assets to bring economic and social benefits to the District

4.2 **Supporting Strategies**

Not applicable

5. **Budgetary Framework**

- 5.1 In 2017 the budgets available to support events (excluding Christmas Lights) totalled £57,400. They were made of:
- Funding to directly support priority events for which the 2017 costs were: Women's Cycle Tour (£20,000); National Bowls (£22,900); Smith Street Party (£2525) and Bands in the Park (£4000)
 - Funding to support other events: £7975 gross (offset by an income of £2830), £5145 net
- 5.2 If it is agreed to that charges should no longer be made for the use of parks, the annual income by around £3000 (£2830 in 2017) would no longer be received. The resulting loss of income of around £3000 will be reflected in an adjustment to the quarter 1 income forecasts for 2018/19 and thereafter reflected in the Medium Term Financial Strategy.
- 5.3 It is also recommended that events are routinely required to pay a bond to the Council. The details of how the bond will operate will be developed by 1st April 2018. However, the principle is that event organisers will not be charged unless damage or other costs have occurred as a result of event organisers failing to adhere to the requirements of the specific event plan or the events manual.

6. Risks

- 6.1 The risk of damage and/or other costs occurring as a result of events will continue to be an issue. To mitigate this risk, the recommendations propose that a bond is taken in advance of events. This will be repaid unless unwarranted remedial costs are incurred (see para 5.3 above).
- 6.2 By no longer making charges for the use of parks, there is a risk that demand for events in parks will significantly resulting in further pressure on the quality of parks and maintenance costs. The impact of this is unknown and it is possible that reduced costs for events will result in increased demand and therefore additional costs to the Council. It is therefore proposed that this is carefully monitored during 2018/19 and if necessary, a limit on the use of some open spaces for events can be considered
- 6.3 An associated risk is the impact that increased demand and more rigorous application of standards could have on staff resources, and particularly on the capacity of the team to support businesses. Currently, it is believed that the team does have sufficient resources to support all events (without having to ration or prioritise) at the same time as delivering all the ambitions of the Business Support Review. However, this will continue to be monitored and managed during 2018.

7. Alternative Option(s) considered

- 7.1 The Action Plan in Appendix 1 includes a number of alternative options.
- 7.2 There are two Actions of strategic importance where alternative options have been considered and are worth highlighting.

Charging for Events

- 7.3 In line with recommendation 2.3 of this report, Action 9 of the action Plan proposes that the Council no longer charges for the use of parks for events. In making this recommendation, officers have considered three broad strategic options regarding the future costs and funding of parks as follows:
 - a) **Option1: a commercial approach:** charges would be set at a level that increases income for the Council. This option views parks as assets which can bring an income and, combined with more effective cost recovery for waste, parking bays etc, could theoretically make a useful financial contribution. Officers have not recommended this option primarily because it is likely to have a significant negative affect on events in the District. The review has shown that the cost of putting on events has risen in recent years and significant additional costs to be paid to the Council is likely to negatively impact on the number and quality of events. This in turn will have knock impact on the economic and social wellbeing of the District. It is also unlikely that a commercial approach would bring significant income. All but three of the events that took place in 2017 were community-led events (the exceptions being the Food and Drink Festivals in Warwick and Kenilworth and Heartbreak Productions in Leamington). Significant additional charges for these community events are likely to reduce demand and therefore also reduce income. Commercial charges could be applied only to the more commercial events, but given the small number of these, this is likely to bring in a negligible amount of money and could still have an impact on the cultural and economic benefits these events bring.

- b) **Option 2: full cost recovery:** charges would be set at a level that enables the Council to recover its costs including waste collection, taxi Rank relocation, toilet cleaning, parking passes, repairs and extra grass cutting. In this option, charges would be made specifically for the costs incurred. In the majority of cases, this would relate primarily to waste collection. To ensure fairness, no standard charge would be made for the use of parks. Officers have not recommended this option for two reasons. First, the specific costs of each event could be time consuming and would be open to ongoing debate and discussion with events organisers. This would result in an additional layer of complexity that is likely to be counter-productive. Second, this approach will generally increase costs for event organisers with potential consequences for the number and quality of events across the District.

One sub-option would be to charge only for waste collection. This would fall short of full cost recovery, but would enable the Council to recover a significant proportion of its costs. This would offer a more simple and equitable charging regime than the current approach. If this option were pursued, it would be in the gift of events organisers to arrange their waste collection through third party suppliers, subject to demonstrating the minimum standards would be met. Such an approach is likely to bring in an annual income in the region of £6,000 (instead of the current income of £3000). This option has not been recommended for two reasons: firstly it will increase costs for organisers which will be controversial and could impact on the number and quality of events across the District. Secondly it is still a relatively small sum of money which will be costly to administer and is likely to lead to ongoing debates with events organisers.

- c) **Option 3: no charges:** this is the recommended approach for the reasons set out in paragraph 3.4 above.

Strategy for Direct Support to Events

- 7.4 Actions 1 and 2 of Appendix 1 propose that an events strategy is developed to clearly establish the Council's approach to directly supporting and funding events. They propose that the events strategy ensures events of regional or national significance are brought to the District; that a fair and consistent approach is applied to the direct support that is provided to events and that criteria are established to identify which events are directly supported by WDC (such as Bands in the Park). In developing this strategy, officers will consider a number of options which could inform the criteria to inform which events to support:

- a) **Supporting Events of national/regional significance:** during 2017 the Council directly supported two events of national/regional significance: the Women's Cycle Tour and National Bowls. It is suggested that support for these kind of events should continue and that where financial support is required, bespoke reports are brought to Executive justifying the proposed expenditure.
- Do members support continuing this bespoke approach to these kind of events or should a more proactive approach, supported by a major events budget be introduced?
 - Are members satisfied that direct support to these kind of events should continue or should the budgets for these events be reduced?

- Are there any other suggested approaches that should be incorporated in to the events strategy?
- b) **Establishing a fair approach support for secondary/tertiary retail areas:** At present there are apparent inconsistencies about which events the Council directly supports. This is because support has grown up for historical reasons and there are no established criteria for determining which events should be supported and which should not. It is recommended that proposals are brought forward to ensure a fair approach to support the economic wellbeing of secondary and tertiary retail streets such as Smith Street, Warwick; Clemens Street/High Street, Leamington Spa and High Street, Kenilworth. To establish how these locations should best be supported, the Business Support and Events team will therefore liaise with relevant traders to establish whether the model provided by the Smith Street Party provides best value for that budget and whether a more consistent approach can be applied. The alternative would be to reduce the budget by withdrawing support for Smith Street.
- c) **Establishing a clear approach for support for other events:** At present the Council does not usually provide direct financial support for cultural events. The one exception to this is Bands in Park which provides for musical entertainment in the District's parks during the summer months. This collection of small events adds to the positive atmospheres of the District's towns for both visitors and local residents. The criteria for supporting this and any other similar events needs to be reviewed to ensure the Council's funding is bringing maximum benefits. It is not suggested at this stage that funding for Bands in the Park should cease, only that it should be fully justified by demonstrating how it relates to the Council's strategic approach.

8. Background

- 8.1 For several years, the events calendar throughout Warwick district has been expanding. In 2017 around 100 events took place in publically available streets and parks. The Business Support and Events Team bridge the gap between event organisers, local businesses and stakeholders to ensure that all of these events operate in a safe manner, whilst providing a positive economic impact to the area.
- 8.2 A vast majority of the events that take place are either charity, cultural or community led – which emphasises the District's diverse population. Amongst these events are festivals of food, arts and culture which take place throughout the warmer summer months.
- 8.3 We are also honoured to be the venue for a wide variety of sporting events. The Bowls National Championships takes place every year in Royal Leamington Spa and as the cooler weather sets in we have a selection of road races for runners, ranging from 5km through to half marathons. We were also the venue for the finish line for Stage 3 of the OVO Energy's Women's Tour 2017.
- 8.4 To finish off our calendar year, we organise the Christmas Lights Switch On events for Kenilworth, Royal Leamington Spa and Warwick. Whilst Christmas Lights are outside the scope of the Events Review, they are spectacular events, and bring communities together to celebrate during the festive seasonal time.
- 8.5 To ensure events that take place in streets and parks are safe and are respectful of the needs of other users of these spaces, the Business Support and Events Team work closely with event organisers. In particular, organisers

are required to prepare an Event Plan well in advance of the event itself so the Team can assess implications and if necessary ensure appropriate steps are taken to enable the events to run smoothly, safely and legally.

- 8.6 During 2017, officers have undertaken a comprehensive review of events. The review has adhered to the Terms of Reference agreed at the start of the review. These are set out in Appendix 2. It should be noted that Christmas lights switch-on events are outside the scope of the Review and these will be looked at separately during 2018 and 2019. The Terms of Reference for this review has involved 3 stages.
- 8.7 Stage 1 involved considering the outcomes and measures that we would like to see from the Review. This stage identified the following:
- Understanding and managing total cost of events;
 - Understanding and managing time commitments from the Business Support and Events Team;
 - Assessing the impact of events (for example, number of stalls);
 - Understanding and managing the impact of events (such the opportunities for local businesses and those which impact on our parks);
 - Understanding and managing the risks associated with events of different types;
 - Collecting feedback from event organisers to understand qualitative issues from their perspective (including charges and other costs);
 - Identifying opportunities to improve future events;
 - Looking at the different types of events and their impact to help prioritise future events.
- 8.8 Stage 2 involved gathering data from 37 events that took place over the summer months and a period of consultation and stakeholder engagement. (This included: internal departments such as the Contract Services, Safer Communities Team and Health and Safety; other stakeholders such as the police, fire and ambulance services; Town Councils and Chambers of Trade, and BID Leamington; and other events organisers). From this work, a number of key issues were identified (detailed in appendix 3) along with some ideas and recommendations from event organisers and other stakeholder (detailed in appendix 4). Broadly, these issues fall in to three categories:
- Strategic Approach and Economic Impact
 - Effective Operations, Communications and Processes to Support Events
 - Funding and Sponsorship
- 8.9 The data collected from the events held during summer 2017 included the following:
- General details (time, date, location, type of event);
 - Size of the event (through expected attendance and number of stalls, if applicable);
 - Costs to the Council (including waste management, parking passes; street and public toilet cleansing and any repairs that might need doing following the event);
 - Costs to organisers (other WDC costs that an organiser might face: street collection/trading permits; Temporary Events Notices; parking bay suspensions; park hire charges and traffic management – although we do not charge for a Road Closure Order, we do ask organisers to have a plan created by a qualified company, which could have a cost associated with it);
 - Operational issues (including late plans; the consistency and clarity of the information that is received from various Council departments).

8.10 The key points arising from the analysis of the data include:

- 23 of the 37 events were either for the community, or had a cultural aspect to them;
- 14 required a road closure;
- 8 events had more than 5000 attendees, whilst 9 had more than 50 stalls present;
- Without the inclusion of events that have a specific budget assigned to them, the Business Support and Events Team spent £6000 on third party events;
- In the same period park hire charges generated an income of £2000;
- 17 events required Street Trading Permits;
- 6 events applied for a Street Collection Licence – allowing their event to raise money for charities and charitable causes;
- 11 events required a Temporary Events Notice – to allow the supply and sale of alcohol at their event;
- Finally there were 11 events that submitted late plans to the team.

8.11 From the 37 events examined, the summary of the costs to WDC were:

- Waste collection: £2915 (13 events)
- Taxi Rank relocation: £1225 (5 events)
- Toilet Cleaning: £284 (2 events)
- Parking passes: £941 (6 events)
- Repairs: £265 (2 events)
- Extra Grass Cutting: £190 (1 event).

APPENDIX 1: Schedule of Recommendations

APPENDIX 2: Events Review Terms of Reference

APPENDIX 3: Summary of Key issues

APPENDIX 4: Summary of Feedback from engagement and consultation

Events Review Action Plan

Ref	Proposed Action	Explanation and Alternatives	Timescales
Strategic Approach and Economic Impact			
1	Develop an events strategy to clearly establish the Council's approach to directly supporting and funding events including: a) Ensuring events of regional or national significance are brought to the District b) A fair and consistent approach is applied c) Criteria are established to identify which events are directly supported by WDC (such as Bands in the Park)	<p>The review has identified inconsistencies in the way events are directly supported and funded by the Council. The Strategy will seek to continue to provide support to events of regional or national significance. Beyond that a consistent approach will be established to other directly supported events at the same time recognising the need for ongoing support to traditional shopping areas that are experiencing viability issues.</p> <p>The alternatives would be to continue with the current approach and operate without a strategy or to develop a strategy which significantly reduced the direct contribution the Council makes to events</p>	Strategy agreed by executive April 2018
2	Linked to the Strategy set out in 1 above, liaise with traders to consider how best to provide support to traditional shopping streets that are facing marginal viability such as Smith Street, Clemens Street and Kenilworth High Street.	<p>At present there is a budget to provide the Smith Street Party in Warwick. However, no equivalent support is provided to similar locations in the District. The team will therefore liaise with relevant traders to establish whether the model provided by the Smith Street Party provides best value for that budget and whether a more consistent approach can be applied.</p> <p>The alternative would be to reduce the budget by withdrawing support for Smith Street.</p>	Spring 2018. If necessary report to Executive December 2018
3	Consider the potential of procuring a contract to provide an ongoing assessment of the economic impact of those events which were categorised as the largest in the District (8 events which had 5000 attendees or more).	<p>The value that events bring to the District has been recognised throughout the review. However, identifying data to quantify this has been difficult. Linked to the Events Strategy, this proposal therefore explores methods and costs for appraising the largest events (including those that the Council invests the most in to).</p> <p>The alternative would be to do nothing and continue as we do at present.</p>	Commence during 2018 Report back to Exec in April 2018 with costs
4	For smaller events explore potential to monitoring impacts through a series of proxy	All events are of value to the district either due to community wellbeing or economic impacts. However there is not an easy way	Explore Spring 2018

	measures including monitoring wifi hotspots, footfall counters and car park usage/income	to specifically measure the impacts of these. The team will however explore the potential for using a number of measures to invoke impacts whilst recognising the need to balance this against the time and costs of these. The alternative would be to continue the current approach	
5	Explore opportunities to take a more commercial approach for some events utilising the expertise of the Events Team including: a. Offering a traffic management service (to write the plans); b. Organising commercial events for WDC for the purposes of generating an income.	Staff in the Business Support and Events Team have valuable expertise which could provide an income to the Council. There are examples from other Local Authorities where this has been done. However, it needs to be recognised that the team is not currently resourced to do provide this additional service and therefore initially, the level of income is likely to be small.	Further report by December 2018 to consider potential to introduce a commercial approach on 1 st April 2019
Effective Operations, Processes and Communications to Support Events			
6	To develop an events manual (publish online) to assist event organisers with decision making and the correct processes for planning events including: <ul style="list-style-type: none"> Updated forms and templates to ensure that they are current Developing criteria for allowing a road closure to take place Developing criteria to decide which events would require a formal debrief setting a reasonable deadline for event organisers to work to, so that stakeholders have enough time to read the documents, and ensure the event will operate in a safe manner Incorporating formal maps provided by the Green Space Team, which will identify the specific areas in each park for the use by event organisers; Incorporating protocols (as provided by the Green Space Team) that will govern the use of the parks by events; Clarifying that events will not 	To ensure clear and consistent information is available to all events organisers To assist / speed up training of new team members.	In place by April 2018

	go ahead on WDC land, should the Team, in conjunction with stakeholders, believe that the event will not be operated in a safe manner (particularly when the events plan is received late)		
7	<p>Aligned with the events manual, develop an flowchart/checklist to ensure officers take a consistent approach to events support including for instance:</p> <ul style="list-style-type: none"> • ensuring site visits take place • providing a system for reporting incidents at events is utilised • Setting out process to ensure better communications with stakeholders, such as County Highways 	<p>To ensure officers within the events team take a consistent and rigorous approach to supporting events in line with the events manual.</p> <p>To assist / speed up training of new team members.</p>	In place by April 2018
8	<p>Work with the Communications and Media Team, to ensure effective communication and promotion of events by</p> <ul style="list-style-type: none"> • exploring opportunities to market events to audiences beyond the District (such as Shakespeare's England) • Continuing the production and distribution of Events Guide • Improving the promotions of events through the Council's Website 	The Council already supports event organisers by preparing and distributing the Events Guide. However, the review has indicated that organisers believe there is more the Council could do through the website and, for events of regional significance, with potential visitors to the District.	Ongoing to 31 st December 2018 (then review impact)
Funding and Sponsorship			
9	Stop charging for use of Parks (with a consequent loss of income of around £3000 per annum)	<p>At present events organisers are charged up to £180 per days for use of parks. In total this brings in an income of around £3000.</p> <p>A number of alternatives have been considered:</p> <p>a) Retaining current arrangements: this has not been taken forward as it brings in a relatively small amount of income whilst providing a costs burden for some of the small events. As a result, it continues to be a source of tension between the Council and events organisers.</p> <p>b) Charge only for commercial events: theoretically, this would be an equitable approach. However there is a significant</p>	In place by April 2018

		<p>“grey area” between community and commercial events. In addition, commercial events can bring significant economic benefits. Finally, there are only 2 or 3 regular commercial events that take place in the District rendering a charge of little value</p> <p>c) Increase charges to maximise income from park usage: whilst this might increase income and reduce costs, it is likely to have significant consequences for the range of events in the District and the benefits derived from these events. A number of events organisers have indicated that an increase in charges would put their event in jeopardy</p>	
10	<p>To pass on the costs incurred from damage to event sites by organisers: if parks are free (as recommended in 9 above) it is proposed to charge for damage and breach of rules as set out in the events manual. To facilitate this it is proposed to take a bond from all events (not just those that take place in parks) on a sliding scale according to the scale and or likely impact of the event. The exact process for this, including the legal agreements and the size of the bond will be developed by 1st April 2018</p>	<p>This will ensure that damage that occurs as a result of activities that breach the manual can be remedied without cost to the Council. The bond will relate directly to a short legal agreement that all event organisers will be required to sign.</p>	<p>In place by April 2018</p>
11	<p>Continue to charge for street collections, street trading permits and Temporary Events Notices in line with regulations</p>	<p>These licenses enable commercial activities associated with events to take place. It is therefore reasonable for Community Protection to continue to charge for these in line with current charges. These charges will be set out in the events manual.</p>	<p>Ongoing</p>
12	<p>Waste Management: Continue with not charging for waste management</p>	<p>Waste Management Charges: Options</p> <p>a) WDC continues to cover Waste Management costs in full for each event at an annual cost of around £6000</p> <p>b) WDC provides a basic waste management service (free provision of 6 x 1100 litre bins) and requires event organisers to cover the cost of any further waste management (possible saving of around £4000 for WDC, but significant consequences to the costs of some of the District’s larger events such as Leamington Food Festival)</p>	<p>To be implemented from 1st April 2018</p>

		c) Onus on event organisers to source and pay for waste management services themselves - with WDC charging full cost if organisers choose to use WDC's services (saving of £6000)	
13	Do not charge event organiser's for other events costs such as: <ul style="list-style-type: none"> • taxi rank relocation to organisers • provision of parking permits • toilet cleaning • Repairs (except where the legal agreement associated with the Bond is breached) • Extra grass cutting 	These costs will continue to be absorbed within the events budget	Ongoing
14	Explore potential for identifying sponsorship for events through ongoing business support work and costs of developing an online platform to match event organisers with potential event sponsors along with other opportunities to facilitate sponsorship of local events (e.g. through Business Forum; events guide, etc.)	<p>It is proposed that the Team use their business support role to identify potential sponsors. Events organisers can be put in touch with those that express an interest. However, to avoid the team in being used as a sponsorship service, the service will be limited to a simple matching service.</p> <p>An alternative is to formally develop an online platform to match event organisers with potential event sponsors along with other opportunities to facilitate sponsorship of local events (e.g. through Business Forum; events guide, etc.). However, this is not recommended on the grounds that it is likely to be very time- consuming and could place significant demands on team members to chase sponsors on behalf of events organisers.</p> <p>A further alternative option was considered whereby a new budget of approx. £5000 for an events grant scheme (up to £500 per event) is established to cover costs of road closures, promotion/publicity etc. with criteria based around demonstration of community and economic benefits. This was rejected on ground of costs and risks associated with it becoming an expectation of ongoing funding after year 1.</p>	Undertake work to assess opportunities during 2018. Report Exec December 2018. If approved, introduce from April 2019

Events Review: Terms of Reference

May 2017

1 Background and Context

The Service Redesign, implemented in April 2016, brought together a new team to provide a holistic approach to the Council's role in supporting events across the District. In relation to events, the Business Support and Events Team is responsible for strategic planning of events throughout the year and throughout the District, for the operational management of District Council-led, and for the facilitation of third-party led events ensuring events:

- Have assessed and effectively managed risk so that they are conducted safely
- Maximise benefits for residents, visitors and businesses in the District
- Support the Council's aim of making the District's towns great places to do business
- Minimise impacts on residents and businesses
- Ensure environmental impacts are minimised and appropriate restoration is undertaken following the completion of the event

To do this the team needs to work effectively with a range of stakeholders including

- Event organisers
- The Police and other service providers
- Providers of facilities and services for events
- Other Council departments
- Ward Councillors and Town/Parish Councils
- Community Groups
- Local Businesses

All this means that supporting events requires excellent communication and adherence to clear processes.

This review will use the events that are planned and delivered over the summer season of 2017 to collect intelligence and identify opportunities and issues. This will be used to assess the potential for improved processes and practices during the Autumn of 2017. It is intended to complete the events by December 2017 so that new practices and processes are in place as 2018 events are planned.

2 Aims of the Review

- a) To identify and deliver opportunities to enhance the strategic planning of events to maximise the economic and community benefits of events
- b) To ensure the operational management of events delivers safe, successful and vibrant events, which maximise economic and community benefits
- c) To ensure that the service delivered to customers is efficient, transparent and accessible aiding in delivering a diverse calendar of events
- d) To consider the financial implications of supporting events both in terms of the Council's costs and resources and in terms of charges to event organisers

3 Scope

Included in scope

The scope of the review is as follows:

- Events directly organised by Warwick District Council
- Events that take place on the District Council's land (such as parks and open spaces) or other public spaces (such as highways)

The review will not only examine the processes and practices around events organisation and delivery, but will also consider the resources (staff and financial) required to support events to establish whether all events can be supported or whether support needs to be prioritised

Excluded from scope

The following areas are outside the scope of the review, albeit these areas have significant links with the business support function which may need to be explored:

- Events planned by other organisations that do not take place on District Council or in public spaces
- Events that take place indoors

3 Approach

Dave Barber will lead the Events Review. The review will focus on the work of the Business Support and Events Team as articulated in the Job Descriptions of the Team Manager and Officers. The key responsibilities relating to events are:

- strategic planning of events throughout the year and throughout the District
 - regularly review the benefits of the events programme to ensure it is meeting the Council's strategic aims
 - monitor the effective operation of the Safety Advisory Group
 - work with internal stakeholders and external partners to discuss new events
- operational management of events
 - ensure safe events and work closely with the Safety Advisory Group
 - ensure guidelines are met for each event
 - Work with other agencies and stakeholders such as the Police, Fire Service, and Ambulance Service,
 - undertake event evaluations and implement learning points
 - discharge Council's responsibilities as a category 1 responder
 - ensure well organised events and support the planning, management and delivery of events to ensure a consistent and safe approach
 - This will include, but is not restricted to,
 - § agreeing approaches to consultation,
 - § road closures,
 - § traffic management,
 - § crowd control,
 - § emergency action plans
 - § ensuring compliance with relevant legislation

The review will have four broad phases:

Phase 1: Agree priority outcomes for the District's events and consider how these should be measured and/or assessed as the review takes places.

Phase 2: Data and intelligence collection using the events planned and delivered during the summer of 2017

Phase 3: Identification of issues, opportunities and potential improvements arising from an analysis of Phase 2

Phase 4: Preparation of report and recommendations for approval, including consultations with key internal stakeholders and formal approval if required

4 Process and timescales

Date	Activity	Responsibility
w/c 8 th May	Agree review terms of reference	Dave Barber, Tracy Darke, Cllr Butler
w/c 15 th May	Workshops to undertake tasks associated with Phase 1	Dave Barber, David Butler, Stuart Poole, James Deville, Helen Williamson, Luke Campion
w/c 22 nd May	Agree how data and intelligence will be collected from the summer events programme	David Butler, Stuart Poole, James Deville, Helen Williamson, Luke Campion
27 th May to 10 th September	Collect and record data and intelligence relating to events undertaken	James Deville, Helen Williamson, Luke Campion
September/October	Review data and intelligence, identify improvement opportunities, consider cost and resource implications. Meetings and workshops to discuss options and issues with other stakeholders	Dave Barber, David Butler, James Deville, Helen Williamson, Luke Campion (with other stakeholder as identified above)
October/November	Prepare Draft Report and circulate for comments	Dave Barber
November/December	Review and comment on final report	Cllr Butler, Tracy Darke, David Butler, James Deville, Other stakeholders
December	Final Report and sign off and If required, report to Executive	Dave Barber, James Deville, Tracy Darke, Noel Butler

Events Review: Key Issues

Effective Operations, Communications and Processes to Support Events

Late Event Plans

- 1 A majority of organisers submit their plans to the team within good time and this allows a thorough assessment of event risks to be undertaken and appropriate support and advice to be provided. However there are few which have either sent them very close to the date of the event, or were late in informing the team of their plans.
- 2 At present the Council does not restrict any events happening in the District and so the team try to follow the normal process for booking in the events, despite the time constraints.
- 3 When the team receive an event management plan, we have to consult with stakeholders. This is a group of approx. 60 people, including:
 - District Councillors
 - CCTV
 - County Highways
 - Warwickshire Police
 - West Midlands ambulance Service
 - Warwickshire Fire Service
 - Building Control
 - Licencing
 - Insurance
 - Contract Services
 - Green Space Development
 - WDC Parking Services
 - Media
 - Health and Community Protection
- 4 It is acknowledged that all of these stakeholders may need to input in to events. However, if late plans put the process under pressure and as a result consultation is sometimes limited to those who will provide direct comments on the safety aspect of the event.
- 5 As well as eliminating the potential for comments from some stakeholders, this also places unreasonable pressure on those stakeholders who are consulted to read the documents and send us comments as quickly as they can. In these circumstances the risk of key considerations being overlooked increases. Whilst we know that there were no incidences at the events which submitted late plans, the restricted timeframes increase the risk of something going wrong during the event.
- 6 Out of the 37 events we studied for this review, 11 sent in late plans.

Street Trading Permits

- 7 Many of the events within the District have some element of selling – whether it is catering for a family fun day, or several stalls at a music event. 17 events required a street trading permit. This is a further cost which adds financial pressure to organisers.
- 8 This year street trading permits were identified as a major issue for organisers, in terms of both cost, and time frame to apply for them. This was partly due to changes in street trading permit regulations which some events organisers were not aware of until event planning was already well advanced. However, going forward there is evidence that most organisers now know about this permit, and can plan accordingly.

Communication, consistency and clarity

- 9 The data shows that occasionally, some organisers have received inconsistent information which has led to confusion and a higher chance of mistakes occurring (Street Trading Permits being an example). During the year a flowchart has been put in place detailing the process that each event should go through, and the order that the officer should be following. This gives the officer some reassurance in the steps to take, and also ensures that nothing is missed.
- 10 Another issue that has been raised around consistency and clarity is with the use of the District parks, and the specifications for each of them. Although there are some requirements that apply to all parks (for example items not being attached to trees, or vehicles not being parked next to them), there are some specific restrictions which apply to some individual parks. This has caused uncertainty and confusion for some event organisers, particularly where the published information is not clear.
- 11 In general, the lack of an event manual and clear guidance can lead to inconsistent communications and misunderstandings. Further, inexperienced event organisers may be uncertain about what they need to discuss.

Funding and Sponsorship

Costs to the Council

- 12 The Business Support & Events Team works closely with many other departments within the Council and the services that others are asked to provide have to be recharged. These charges are not passed on to the organiser, therefore the more events we have in the District, the higher the costs will be. The range of charges identified were:
 - Movement and emptying of bins;
 - The movement of the taxi rank by Market Place, Warwick;
 - Extra public toilet cleansing;
 - The use of parking passes for Warwick District Council car parks;
 - Repairs for some damages that are caused by events;

- One event required an extra cut of the grass at Abbey Fields;
 - The costs of organising the event (when the team are the main organisers).
- 13 From the 37 events examined, the summary of the costs were:
- Waste collection: £2915 (13 events)
 - Taxi Rank relocation: £1225 (5 events)
 - Toilet Cleaning: £284 (2 events)
 - Parking passes: £941 (6 events)
 - Repairs: £265 (2 events)
 - Extra Grass Cutting: £190 (1 event).
- 14 The total cost associated with events organised by other organisations was £5820.
- 15 During the period examined the Council received approximately £2000 income for the hire of our parks, giving a net cost during the period examined of around £3800.
- 16 It should be noted that in addition to these costs the District Council directly organised or funded four major events the (Women's Cycle Tour; the Bowls National Championships; Bands in the Park and the Smith Street Party). Each of these had a bespoke budget and the total cost of these was £54,500

Costs to the Organiser

- 17 The Business Support & Events Team does not provide all the services that organisers will require, although the team will always provide information and advice on other services. These services result in costs for event organisers.
- 18 The most common costs are:
- Traffic management plans (14 events)
 - Street Trading Permits (17 events)
 - Street Collections (6 events)
 - Bay suspensions (3 events)
 - Temporary Events Notice (TENS) (11 events)
 - Park hire charges (applicable to all events that took place in parks)

Full list of suggestions from all the consultations, broken down into categories:

Strategy and Economic Impact

1. Good to have commercial events and soft community events
2. What is the wider economic value of the events?
3. What is the wider economic impact of events
4. Are the spending practices of the Council the most efficient they can be for events?
5. Would be keen to see events happening in other underused parks (Victoria Park for example);
6. Should there be some research into what local residents want to see in the District with regards to events?
7. Charging for road closures would help add funds to the Events Team budget;
8. What are the Economic impact ref events
9. Rugby Borough Council sell the service of their team doing Traffic Management Plans – they know it is done to the highest standard, and it commercialises the service;
10. Why do we support/organise the Smith Street Party – why not other streets in the District?
11. How can we encourage more community events to take place? Have more on the website so paperwork is limited.
12. More commercial events need to be run by the council to generate extra revenue.

Operational and Processes

1. Talked about sharing resources more. For example, ground coverings to protect grass. Are currently hired in at a massive expense, could be bought and shared between organisations.
 - Other resources to be shared could include
 - § Radios
 - § Pa Systems
 - § Toilets
 - § Waste
2. Free skips (waste management);
3. Need to have recycling at events;
4. Should there be a policy on waste and help provide solutions to waste management and recycling;
5. Organisers to provide cleaning and litter picking;
6. The Council should make improvements to the land the events use, so the risk of damage is decreased
7. The cost of recycling at events should be met by the council;
8. Consideration should be given to the use expectation of Traffic Management companies and the costs associated with using them. Does the Council really require this?
9. Need a walk around of the event site with relevant officers;
10. Events in Warwick Town Centre should have their layout revised to assess if it is the most appropriate use of the space;
11. Is there any sort of infrastructure WDC could invest in that is used at several events e.g. Bins, barriers, gazebos? I appreciate storage is likely to be an issue but could be considered
12. Need to have a way of recording incidences at events

Paperwork/Processes

1. Have a manual on google docs – portal so all can access templates and guidance – Checklists

2. Ensure only one officer is looking after an events – can become quite confusing and things are missed when the same event is shared between events.
3. Need a structured debrief for larger events
4. New time frames for event plans should be implemented
5. Need more scoring to happen in risk assessments
6. A checklist for the Events Team to use to assess event plans to anticipate the comments made by key stakeholders
7. Need new forms and templates;
8. Could WDC events team give out information of local caterers etc
9. Site meeting – event organisers should be invited to attend this; All service areas need to attend;
10. Roadworks – better planning so they don't disrupt events – some sort of database??
11. Paperwork requirements increasing;
12. Changing officers for events year on year is a good way for new officers to see each event;
13. There should be at least 3 month's timescale for event paperwork to be in with the Council;
14. Park Protocols to be included as part of the Events Review - citing that it would go some way to provide the consistency and clarity organisers require;
15. Maps have also been produced, which need to be agreed on;
16. Issues around late plans was raised, less time to read, means that the Green Space team might have to let things go ahead without seeing other documents
17. A look at what steps we go through as a team, when booking an event in – tidy the process up a bit and inform stakeholders about the changes
18. There should be consideration given to sanctions against events that send in late plans;
19. Set timeframes for event plans to be in
20. When do WDC say 'no' to an event? Occupiers liability means that the owner has a responsibility for people on their land, and if an event sends plans in late etc. the WDC Events Team needs to the power to stop it from happening;
21. More information is required in event plans
22. At what point will WDC not allow a road closure – is there a criteria that a road closure needs to meet before it is allowed to be closed?
23. Happy for us to tell event organisers to look at the Fire Safety page for ideas and support with documents. Email is firesafety@warwickshire.gov.uk
24. Start suggesting that organisers can take courses in traffic management – as well as suggesting traffic management companies they can use;
13. Safety seems to be addressed well by the SAG meetings. Are there ever any post event
14. Event plans must come through to us and set to our template to enable consistency
15. Consideration for terrorism attacks or if this is included in an evacuation plan


Communication

1. Better communication needed with County highways.
2. WDC need a closer relationship with County Highways to ensure issues are sorted quickly and smoothly;
3. Advise organisers of any road works – roadworks.org
4. The Events Guide doesn't reach its maximum audience; it needs wider distribution;
5. It is difficult having a variety of conversations with many different WDC departments;
6. Need contact numbers for the officers who are responsible on the day of the event (Park Rangers etc.);
7. Better communication systems required by WDC;

8. If different officers look after the same event, there needs to be good communication between both of them;
9. Incorrect information for event organisers has sometimes been given out in the past;
10. WDC should inform and advise organisers when legislation is updated.
11. Slow response from WDC events team;
12. Currently the WDC Events team are slow at responding to emails;
13. There needs to be more communication and flexibility when it comes to last minute changes to events;
14. Currently the WDC Events team are slow at responding to emails;
15. Events team to have closer liaison with Licencing with regards to taxi ranks and when we look to move them
16. Put more information on the website to help organisers plan a safe event – consider linking to other organisations to aid with this (HSE, Police etc.).
17. Communicating early to residents and Businesses about events, road closures and bay suspensions to accommodate needs

Funding/Finance and Sponsorship

1. Commented that £4k for 30+ events in the district is very good value for money
2. Reach out to companies more for funding and sponsorship. Good for marketing and promotions.
3. Taxi rank displacement costs should be paid for by event organisers
4. Event Organisers to pay for the use of streets;
5. The increase in car park usage for events surely generates more income for the Council
6. Sponsorship opportunities for local businesses to help finance events
7. Consistency required with charges
8. Cut cost of taxi rank moving by limiting the amount of times/events requiring this.
9. Can the TEN's be applied for by traders rather than solely by the organiser – would decrease organiser's costs?
10. How do WDC park hire charges compare against other Councils?
11. Parking income on events should be information that is passed back to organiser
12. It would be good to develop partnerships with local businesses, which would help create a platform for sponsorship;
13. WDC hire charges are reasonable;
14. There should be no WDC hire charges;
15. Needs to be a consistency of pricing for hire charges;
16. The ability to apply for grants would help finance some events in the future.
17. Information regarding costs (especially Street Trading) to organisers earlier – this year it has occasionally been too close to the event;
18. More sponsorship for events from WDC;
19. Pass on costs of damage of the areas used by events, to their organisers;
20. Damage to events site costs also needs to be passed on to organisers
21. It might make organisers appreciate the provisions we subsidise by passing on the charges of waste management

 EXECUTIVE 7 th February 2018		Agenda Item No. 13
Title	2018/19 ICT Services Digital Work Programme	
For further information about this report please contact	Tass Smith (01926) 456693 Tass.smith@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers	Executive Report 2 nd December 2015 – Digital Transformation of Council Services Executive Report 8 th March 2017 – 2017/18 ICT Services Digital Work Programme	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes (ref 912)
Equality Impact Assessment Undertaken	No
Not applicable	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	11.01.18	Andrew Jones
Head of Service	11.01.18	Andrew Jones
CMT	16.01.18	Andrew Jones
Section 151 Officer	11.01.18	Mike Snow
Monitoring Officer	11.01.18	Andrew Jones
Finance	11.01.18	Mike Snow
Portfolio Holder(s)	22.01.18	Cllr Mobbs
Consultation & Community Engagement		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report seeks approval from the Executive for the 2018/19 ICT Services Digital Work Programme and provides a progress update of both the current programme and some of the other Digital Strategic themes.

2. **Recommendations**

- 2.1 That Executive notes the ongoing progress made in improving the digital security offering and also the return on investment made in the provision of high speed broadband services within Warwick District, as set out in Appendix 1.
- 2.2 That Executive notes the progress made in 2017/18 with the ICT Services Digital Work Programme as set out in the 8th March 2017 Executive Report, including a number of learning points.
- 2.3 That Executive agrees the 2018/19 ICT Services Digital Work Programme at Appendix 2 which is based on the Business Cases at [Appendix 3](#) (electronic only).
- 2.4 That, subject to the approval of recommendation 2.3 above, the Executive notes that the 2018/19 Budget Report has made available up to £33,000 for the Programme's delivery.
- 2.5 That, subject to the approval of recommendation 2.4 above, the Executive notes that the release of funds for this Programme will be subject to a detailed financial review of each Business Case and will require sign off by the s151 Officer.

3. **Reasons for the Recommendation**

3.1 Recommendation 2.1

- 3.1.1 The ICT and Digital Strategy 2015-19 contains five strategic themes.

[Appendix 1](#) contains a detailed explanation of the progress made towards the Digital Warwick theme during 2017/18 and the ongoing commitment for 2018/19. In addition, it also provides a comprehensive update of the latest Digital security improvements.

The key Digital Warwick highlights are:

- In Contract 1 Warwick District Council contributed **£132,000** to the project which attracted a further **£858,000** of investment. In doing so an additional **5,183** premises within the district are now capable of receiving SFBB.
- Contract 2, which is still currently in progress, required no investment from Warwick District Council, but it is anticipated that on completion a further **1,865** premises in the district will benefit from the availability of SFBB.
- Contract 3 is very much in its infancy and, by its very nature of being the last contract, is dealing with the most difficult and expensive premises to connect to SFBB. To further assist the roll-out Warwick District has committed another **£130,000** to the project.

The key Digital Security highlights are:

- During the last twelve months, ICT Services has undertaken a raft of initiatives to improve the security of the data that the Council holds. This work is ongoing and includes:
 - Strong patch management
 - Improved Antivirus and anti-spam filtering
 - Registering for the UK Public Sector DNS service
 - Website monitoring via the National Cyber Security Centre's Web Check service
 - Improved email security; anti-spoofing, anti-tampering and encryption in transit.

3.1.2 In addition, a report will be brought before the Executive during 2018 to provide an update on the Digital Member theme

3.2 Recommendation 2.2

3.2.1 A number of projects have been completed during 2017/18. These projects either originated from the 2016/17 or 2017/18 Digital Work Programmes or were subsequently identified as a high priority:

Completed Projects	Benefits realised
Leisure centre contract management system	Ease of carrying out inspections to inform the Leisure centre contract manager of potential issues.
Telephone card payment solution	Staff can now take customer payments during telephone conversations using Capita's fully PCI DSS Compliant module
High rise block inspections mobile form	Following the Grenfell Tower fire, a decision was taken to carry out daily fire inspections of the high rise blocks. The mobile form provides a robust and efficient solution, allowing photographs and notes to be made on site, to support subsequent repair requests
Frontline self-serve kiosk pilot	A self-serve kiosk-style solution, installed at Riverside House, allowing customers to self-serve a range of online services
Community Infrastructure Levy	Following significant support from ICT Services, the Development Services team are now in a position to collect this valuable funding stream
Online forms either created or amended to replace previously published generic email addresses. Specifically: <ul style="list-style-type: none"> • Updated 3 change of address forms • Updated council tax direct debit form • Updated several council tax discount forms • Updated council tax general enquiry form • New report noise nuisance • New report smoke, dust 	<p>Generic email addresses have either been completely removed from the website or now appear less frequently.</p> <p>Customers can now self-serve using structured forms to capture the relevant information</p> <p>Staff can be confident that the correct information has been provided first time which allows requests to be completed more efficiently than before.</p>

<ul style="list-style-type: none"> and smells • New waste collection enquiry • New request assisted collection • New street cleaning form • New report fly tipping • New car parks season ticket form 	
Replacement Housing Repairs Contractor interface	The new interface replaces the current emails sent to contractors which improves data security and reduces manual processes for back office staff and Housing Contractors
Intranet access for Members	Secure information sharing and collaboration
Bespoke developer training	ICT Application Support team members participated in a comprehensive bespoke training package to ensure they have the requisite knowledge to resource future Digital Work Programmes

3.2

.2 A number of projects, detailed below, are still in progress from the 2017/18 Digital Work Programme:

Ongoing Projects	Current project status
Neighbourhood Services Data Capture	Contract to be awarded in February 2018. The successful contractor will complete the data capture exercise by end June 2018
Self-serve Council Tax Forms (OPENChannel)	Solution installed and currently finalising system testing phase with a view to going live with the first form in January 2018.
Online card payment refunds (Capita)	Due to be completed by end March 2018. Supplier delays have severely hampered progress
Replacement Crematorium System	Project Manager unable to be released from normal operational duties. Project anticipated to start by March 2018
Improved planning committee speaker requests	This project is being run using the Agile development methodology: capturing requirements via user stories which are then developed, tested and signed-off within 4-weekly 'sprints'. The first sprint has been successfully completed. Subsequent sprints are planned between January – March 2018
PCI DSS Compliance centralised logging system	The compliance programme is still being worked on (though no ICT development is now required)
Online forms to replace generic service email addresses	Building on the success of the web forms already published (see 3.2.1 above), further projects have been identified for 2018/19 to explore direct integration with back office systems, removing unnecessary data inputting
Barcode generation system for miscellaneous payments	The in-house development has been largely completed. We are now working on the back office system integration and await third-party supplier quotes

3.2.3 A number of projects, detailed below, have been withdrawn from the 2017/18 Digital Work Programme:

Projects withdrawn from the 2017/18 programme	Reasons for project withdrawal
Revenues visiting officer mobilisation	This was the first Agile project and rapid progress was initially made. However, following an internal staffing restructure, the visiting officers' team responsibilities have changed and the decision taken to put this project on hold as it was felt that a different approach may be more effective.
Self-serve car park season ticket requests	Without the ability to integrate to the back office car park system, the proposed solution would have produced minimal overall improvements. This requirement would instead be built into any future car park software purchase.
Self-serve pest treatment requests and officer mobilisation	Soft market testing is currently underway to investigate whether a new software solution would provide this as standard functionality
Improved building control register & officer mobilisation	
Taxi inspections officer mobilisation	
Mobile payments SmartPay360 (Capita)	Capita failed to provide a marketable solution and have refunded the costs in full

3.2.4 The main learning points from the 2017/18 Digital Work Programme are:

- With limited staff resources, it has continued to be challenging for Service Areas to maintain their business as usual service while also releasing the most appropriate staff to design and test their transformational solutions.
- An ongoing complication, identified in the 8th March 2017 report, has been aligning resources between the ICT and Service Area teams for the duration of each project.
- The ICT Application Support Team (who resource this programme) spend a high proportion of their time supporting the current 100 or so software applications, leaving limited availability for new projects. When implementing transformational projects, Service Areas have had to make some significant back office process changes to realise the full benefits.
- Project timelines can be adversely affected by third-party software supplier availability and lead times.
- That the project teams who experimented with Agile methods found the experience highly rewarding and were better able to draw out functional requirements, build, test and release valuable working software within shorter timescales.

3.2.5 In consequence of the above, the following steps will be taken:

- Prior to starting each new project, the Application Support Team will work closely with the proposed project team members to explain the

level of commitment required and to better understand where potential resource alignment issues may arise.

- Various improvements are being trialled to increase resource availability for new projects, such as routing all support calls via the ICT Service Desk team to reduce Application Support Team interruptions
- By using the Agile Development Methodology, new solutions will be developed, tested and implemented, in manageable increments, in tandem with relevant back office process adjustments
- Where third-party software suppliers are an integral element of a project, their availability and lead times will be sought earlier and factored in to the project timelines, and adjusted as required.

3.3 Recommendation 2.3

3.3.1 Appendix 2 contains the 2018/19 Digital Transformation Work Programme which reflects, in the main, the Business Cases at Appendix 3.

The remaining projects have either been carried forward from the 2017/18 Work Programme as a result of supplier delays, or already form part of the Digital Transformation Business Case that was agreed by Executive on the 2nd December 2015.

3.3.2 The Work Programme is based on project urgency and importance, internal staff resource / third-party availability and any anticipated procurement requirements. In addition, legislative changes may impact on the team's ability to fulfil the Work Programme. It is likely that the General Data Protection Act, which comes into effect in May 2018, will impact heavily on ICT Services as back office systems will need new modules installing to handle the revised data requirements.

3.3.3 The following table summarises each Business Case and its anticipated customer and business benefits. Where a project has a limited scope, this is noted below. Please refer to the individual Business Cases listed in Appendix 3 for the full list of identified benefits

Business Cases 2018/19	Customer benefits	Business benefits
Integrating Jadu web forms with maps and automated progress updates	Provide assurance for customers with automated progress updates, preventing the need for follow up calls to check case progress	Drive usage from phone to web – a cheaper channel Save staff time in the back office handling customers chasing up enquiries
Fly-tip Reporting	Increased customer satisfaction through regular status updates	Drive usage from phone to web – a cheaper channel Save staff time in the back office handling customers chasing up enquiries
Mobile Food Safety Inspection Enhancements	Increased customer satisfaction as an emailed copy of the	Removes time spent manually rekeying visit information and

	inspection and relevant documents will be provided while still on site	uploading photographic evidence Reduction in manual administration tasks
Miscellaneous Payments Management System	None – internal project only	Ease of setting up new payments and managing existing ones
Litter Bin issue reporting	Ease of reporting litter bin issues Ease of accessing status of litter bin report requests in progress	Informed asset management decision can be made about the litter bin stock
Waste Contractor mobilisation	Photographic evidence of request fulfilment will enhance the information available to customers	Efficient request fulfilment Reduction in manual administration tasks for staff and contractors
Building Control Completion Certificate Self-serve Requests	Encourages self-serve approach Enables online payment for requested certificates	Reduction in phone calls received Reduction in manual processing and paper handling
Corporate Purchasing Card System	None – internal project only	Ability to create reports of payment card usage and for external publication Reduction in manual processing and paper handling
Housing Tenants - Self-serve Repair Requests Limited project scope: ICT involvement restricted to assisting with soft market testing of potential third party products and trialling a possible Proof of Concept	Ease of reporting repairs Ease of accessing status of repair requests in progress	Reduction in phone calls received Potential to reduce back office data handling
Development Control - migrating critical data from spreadsheets	None – internal project only	Reduction in data handling and duplication of effort Increased ability to report on and perform data modelling
Corporate Field Payment Solution	Ease of making payment Faster delivery of service following payment	Reduction in manual handling of customer cheques / cash payments Increased safety for

		field workers
Lone Worker Monitoring System Limited project scope: ICT involvement restricted to assisting with soft market testing of potential third party products.	None – internal project only	Subject to procuring suitable software this project would improve the lone worker safety (staff and Members)

3.4 Recommendations 2.4 & 2.5

- 3.4.1 The Business Cases at Appendix 3 include anticipated Capital and Revenue costs based on the information that we currently hold about each project. To protect the funds made available for this Work Programme, each Business Case will be subject to a details financial review to ensure all costs have been identified, before agreement to release the funds is made by the s151 Officer.

4. Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Many of these projects will provide new customer self-serve options and should improve customer satisfaction through automated case status updates	The Neighbourhood Services Data Capture project and the integrated web forms (for fly-tip and litter bin reporting) will directly contribute towards maintaining our public spaces.	The continued investment in the BDUK programme should improve access to superfast broadband which will directly benefit those communities

Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The provision of mobile technologies (for field payments and food safety inspections) and the feasibility study into a new lone worker monitoring system will ensure staff have the most appropriate tools	Several projects focus on providing self-serve capabilities and automated status updates. Other projects streamline our back office processing and improve our reporting capabilities	These projects will improve staff productivity, therefore reducing transaction costs, by automating processes, reducing avoidable demand and by targeting resources towards the most complex tasks

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies and the relevant one for this proposal is the ICT and Digital Strategy 2015-19. This resource strategy clearly sets out how the Council will ensure that its ICT infrastructure will be in place to support the delivery of the council's purpose.

4.3 **Changes to Existing Policies**

Not applicable

4.4 **Impact Assessments**

Not applicable

5. **Budgetary Framework**

- 5.1 The Executive should note that the 2017/18 Budget Report included a budget of £200,000 for delivery of the 2017/18 Digital Transformation Work Programme.

The following table provides an update on how this budget has been spent so far:

Business Case	Estimated up-front cost £	Revised project costs £	Notes
Neighbourhood Services data capture	50,000	45,241	Includes Public landownership

exercise			dataset. There may be some additional costs once the data capture actually starts
Self-serve Council Tax forms (OPENChannel)	48,380	48,380	
Revenues visiting officer mobilisation	600	0	Project withdrawn
Replacement crematorium system	49,400	0	Project has not yet started
PCI DSS Compliance centralised logging system	300	0	Project no longer requires any ICT development
Leisure Centre contract management system	300	300	
Self-serve car park season ticket requests	0	0	Project withdrawn
Self-serve pest treatment requests	600	0	Project withdrawn
Improved planning committee speaker requests	0	0	Internal development only
Barcode generation for miscellaneous payments	2,000	4975	Two of the third-party supplier quotes were higher than expected. One quote still outstanding but estimate included in this total figure
Improved building control register and officer mobilisation	3,900	0	Project withdrawn
TOTAL	155,480	98,896	

- 5.2 The Executive should note that the 2018/19 Budget Report includes a budget of £33,000 for delivery of the 2018/19 Digital Transformation Work Programme.

The estimated upfront costs of the projects are shown in [Appendix 4](#). These costs will be managed within the £33,000 budget, with the release of funds agreed by the s151 Officer.

6. Risks

The major risk to the programme continues to be the ability to resource projects in both ICT and service areas.

In respect of the individual projects, the table below sets out the main risks identified for each of the Business Cases at Appendix 3. Please refer to the individual Business Cases for the full list of identified risks and their likelihood, impact and mitigation.

Business Cases 2018/19	Please refer to the Business Cases at Appendix 3 for the Likelihood, Impact and Mitigation for each Identified Risk
Integrating Jadu web forms with maps and automated progress updates	Complex integration between various systems falls short of expectations
Fly-tip Reporting	Complex integration between various systems falls short of expectations
Mobile Food Safety Inspection Enhancements	Solutions fail or officers lose confidence in its capabilities
Miscellaneous Payments Management System	That the time spent developing this solution would be better spent on other projects
Litter Bin issue reporting	Data is inaccurate or fails to be adequately maintained
Waste Contractor mobilisation	Contractual staff do not feel adequately supported and fail to use the new system
Building Control Completion Certificate Self-serve Requests	Loss of ICT systems once new self-serve solution is embedded
Corporate Purchasing Card System	That the new solution does not improve the current paper-based process
Housing Tenants - Self-serve Repair Requests Limited project scope: ICT involvement restricted to assisting with soft market testing of potential third party products and trialling a possible Proof of Concept	That the software solution is easy to use and manage, given that it has to cater for numerous, potentially complex, repair scenarios.
Development Control - migrating critical data from spreadsheets	Allocation of sufficient staff resources Data migration costs
Corporate Field Payment Solution	Potential for card fraud (through data being on devices which are lost) Ensuring that payment can be taken in locations without mobile signal
Lone Worker Monitoring System Limited project scope: ICT involvement restricted to assisting with soft market testing of potential third party products.	This project is very much at the feasibility stage so the biggest risk is that suitable software can be found at an affordable cost. Prevention of violence and aggression towards staff

Projects carried forward from previous programmes	Identified Risks
Replacement crematorium system	The individual project risks are detailed in the 2017/18 ICT Services Digital Work Programme report , section 6
PCI DSS Compliance centralised logging system	
Online forms to replace generic service email addresses	By continuing to publish generic email addresses, service requests have to be manually entered into back office ICT systems

Alternative Option(s) considered

The option not to continue down the 'digital route' was discussed in the 2nd December 2015 Executive Report and it was accepted that while there will always be situations when it is entirely appropriate for a customer to transact with a member of staff, many of the Council's services do not need to be delivered in this way. Continuing with the proposed Digital Transformation Programme advocated in this report will be financially efficient and will provide an improved customer experience.

Appendix 1 – Digital Warwick and Digital Security updates

The Council's Digital Strategy identified five strategic themes:

- Digital Customer
- Digital Workforce
- Digital Warwick
- Digital Collaboration
- Digital Members

1. Digital Warwick update

The Digital Warwick theme recognises that a strong digital infrastructure is essential for Warwick DC's growing economy to prosper. The benefits of the district's environment, high standards of living and strategic transport connections must be matched by powerful digital advantages to maintain its position as a great place to live, work and visit.

Locally the vision of bringing an improved broadband infrastructure to the district, including superfast broadband, is being delivered by the Coventry, Solihull and Warwickshire Superfast Broadband Partnership (CSWSBP).

At the start of the project (2012) the CSWSBP identified that Warwick District had a relatively high commercial roll-out of superfast broadband (SFBB) of **87%**. However, other districts in the County, such as Stratford District, had a much lower coverage of SFBB due to their rural nature.

To increase the coverage of SFBB across the Warwickshire region the CSWSBP, utilising partnership, central government (BDUK) and private sector funding, has let a total of three SFBB contracts.

In Contract 1 Warwick District Council contributed **£132,000** to the project which attracted a further **£858,000** of investment. In doing so an additional **5,183** premises within the district are now capable of receiving SFBB.

Contract 2, which is still currently in progress, required no investment from Warwick District Council, but it is anticipated that on completion a further **1,865** premises in the district will benefit from the availability of SFBB.

Contract 3 is very much in its infancy and, by its very nature of being the last contract, is dealing with the most difficult and expensive premises to connect to SFBB. To further assist the roll-out Warwick District has committed another **£130,000** to the project.

It is difficult to give final predictions on what the end state of the project will be as this depends on two unknowns. Firstly, until the survey work is completed for Contract 3 and matched to the available budget, the extent of the roll out cannot be determined. Secondly, for state aid reasons, the CSWSBP cannot fund any connections in an area where a commercial supplier has indicated that they will go. However, using a best case scenario, of the **72,076** premises identified in Warwick district, over **70,000** could have access to SFBB by project completion.

In December 2017 the Deputy Chief Executive responsible for the project and the ICT Services manager met with the CSWSBP project lead to seek clarification on those properties that are unlikely to have access to SFBB at the

projects conclusion. Once this information has been collated, an options review will be undertaken with CSWSBP.

2. Digital Security update

Digital Services and Cyber-security update

The citizens of Warwick District expect the Council to provide convenient digital services that equals the experience they receive when online shopping or banking. However, because these digital services provide access to things of very real value, they have become a prime target for cyber-attack.

When a digital service is successfully compromised, the fallout can be damaging, expensive and embarrassing for the organisation involved and potentially catastrophic for the individuals whose data has been lost. Therefore the Council continues to take a measured approach to security that looks at likely risks in context and invests as appropriate.

The following lists some of the initiatives that the Council has undertaken in the last twelve months.

Internal Infrastructure

Patching

The Council has always had a strong patch management regime which has been evidenced through successive audits and the Council's annual PSN Health Check. However this year there has been the following improvements:

- Reduction in the time from patch release to deployment
- Increased compliance validation
- Reduced tolerance for non-compliant machines accessing the network.

Antivirus

The Council still continues to use two AV solutions to protect its data. However, there is now significant evidence that signature based solutions are struggling to keep pace with the evolving threat. In response, the Council has augmented its existing AV solutions with next-generation signatureless technologies which assist in protecting the Council from unknown threats and zero-day vulnerabilities

DMARC, DKIM and SPF

To further reduce the threat posed by SPAM and spoofed email, the Council is in the process of implementing DMARC (Domain-based Message Authentication, Reporting & Conformance), DKIM (DomainKeys Identified Mail) and SPF (Sender Policy Framework).

Although the email authentication technologies SPF and DKIM were developed over a decade ago to provide greater assurance on the identity of the sender of a message, the problem of fraudulent and deceptive emails has not abated. However, with the introduction of DMARC, this ensures that legitimate email is properly authenticated against established DKIM and SPF standards.

In fact, DMARC is the first and only widely deployed technology that can make the “header from” address (that users see in their email clients) trustworthy.

UK public sector DNS

The Council is currently in the process of registering to use the UK public sector DNS service.

The UK public sector DNS protects users and their information by using DNS filtering to:

- prevent users from accessing known malicious sites
- make phishing attacks less effective – if a user clicks a malicious link in an unsolicited email, the DNS prevents access to a pre-identified malicious site
- prevent communication between cyber criminals and their malware - they block or redirect DNS lookups to known malware command and control servers

Network Infrastructure

2017 saw a significant upgrade to the Council’s network infrastructure, with the majority of the components replaced. Most importantly, the Council replaced its core firewalls with a latest generation solution.

Digital Services

DMARC, DKIM and SPF

In the same way that the Council will use the above technologies to assist in blocking spoof mail entering the Council, the Council will also appropriately tag its own mail. This means that if citizens use email services that support DMARC, DKIM and SPF, such as ‘gmail’, then those citizens can be confident that if they receive an email from a ‘warwickdc.gov.uk’ then it is genuine.

Generic email addresses

Like many organisations, Warwick DC encouraged citizens to contact the Council using a generic email address. Although the Council did not encourage citizens to include personal or sensitive information in these emails, the content of the email was outside the control of the Council. To promote digital leadership through best practice, and to protect its citizens, the Council is in the process of removing its generic email addresses and replacing them with web forms, accessible through the web site. This provides two major benefits for the citizen. Firstly, the web form is secure and ensures any information that is entered is appropriately encrypted in transit. Secondly, the use of a web form can ensure that the correct service information is captured at the point of entry and this improves service resolution.

Transport Layer Security (TLS)

Although the Council promotes initial contact through the use of web forms, see above, subsequent interactions are likely to take place via conventional email. Once again Warwick DC wishes to ensure that when communicating with the Council, citizen data is protected in the most appropriate manner. To do this the

Council is implementing TLS. Transport Layer Security (TLS) is an encryption protocol used to protect data in transit between computers.

The use of TLS is being mandated by the Government's National Cyber Security Centre for inter government department communication. This will ensure that any citizen data that is shared between other government agencies and Warwick DC is also protected.

Web Check

The Council's web site is the first point of contact for a citizen interacting with a Council digital service and therefore it is essential that this platform is secure. In 2017 the Council signed up to the National Cyber Security Centre's (NCSC) Web Check service.

Web Check is a website configuration and vulnerability scanning service, that checks, amongst other things, that:

- user data is protected both in transit and in the user's web browser
- the website is well engineered, configured and modern technologies are in use to protect it
- servers and their software are patched

Web Check does this on an ongoing basis, so the Council is informed of new issues as they emerge and as new checks are added.

3. Digital Members

A report will be brought before the Executive during 2018 to provide an update on our Digital Member theme

Appendix 2 – 2018/19 Digital Transformation Work Programme

[illegible]

Appendix 3 – 2018/19 Digital Business Cases

- **Integrating Jadu web forms with maps**
- **Fly-tip Reporting**
- **Mobile Food Safety Inspection Enhancements**
- **Miscellaneous Payments Management System**
- **Litter Bin reporting**
- **Waste Contractor mobilisation**
- **Building Control Completion Certificate Self-serve Requests**
- **Corporate Purchasing Card System**
- **Housing Tenants - Self-serve Repair Requests**
- **Development Control - migrating critical data from spreadsheets**
- **Corporate Field Payment Solution**
- **Lone Worker Monitoring System**

Appendix 4 – Estimated up-front costs by 2018/19 Business Case

Business Case	Estimated up-front cost £
Integrating Jadu web forms with maps and automated progress updates	0
Fly-tip Reporting	0
Mobile Food Safety Inspection Enhancements	0
Miscellaneous Payments Management System	0
Litter Bin issue reporting	0
Waste Contractor mobilisation	0
Building Control Completion Certificate Self-serve Requests	0
Corporate Purchasing Card System	0
Housing Tenants - Self-serve Repair Requests (The estimated cost of the potential third-party software is £24,000 and would be funded from the Housing Revenue Account. As this report concerns proposed General Fund expenditure only, this project has no associated estimated up-front cost.)	0
Development Control - migrating critical data from spreadsheets	20,000
Corporate Field Payment Solution	13,000
Lone Worker Monitoring System (Although this project has identified a possible maximum £60,000 cost, this will not be confirmed until soft market testing has been completed during 2018/19. Any costs will fall into the 2019/20 Digital Work Programme.)	0
TOTAL	33,000

Warwick District Council

ICT Steering Group – Business Case Template



Digital services so good that people prefer to use them

ICT Steering Group – Business Case Template

Revision History

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1.0	27 June 2016	Ty Walter	Updates to the 'Template Guide' and 'Scope' following feedback from ICTSG
2.0			
3.0			
4.0			

Approvals

This document requires the following approvals:

Title
ICT Steering Group

Distribution

This document has been distributed to:

Name	Title

Contents

ICT Steering Group – Business Case Template.....	2
1 Template Guide	4
1.1 What is a Business Case?	4
1.2 When do I use a Business Case?.....	4
1.3 How to use this template	5
2 Business Problem Analysis	6
2.1 Business Problem	6
2.1 Business Opportunity	Error! Bookmark not defined.
3 Preferred Solution	7
3.1 Solution [Title]	7
3.1.1 Description.....	7
3.1.2 Benefits, Goals and Measurement Criteria.....	7
3.1.3 Digital Benefits.....	8
3.1.4 Costs and Funding Plan.....	9
3.1.5 Risks.....	9
3.1.6 Issues	9
3.1.7 Assumptions	10
4 Implementation Approach	10
4.1 Outline Project Scope.....	10
4.2 Service Area Resources.....	10
4.3 ICT Services Resources.....	10

1 Template Guide

1.1 What is a Business Case?

The Business Case gathers the information to allow management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. It includes:

- A description of the business problem (or opportunity) which exists in the business
- Details of the preferred option, supported by a feasibility study if required
- The benefits and costs associated with the preferred option
- A recommended solution option for approval.

1.2 When do I use a Business Case?

The ICTSG has agreed that any project that requires less than 74hrs of Application Support time, does not require a formal business case to be evaluated by the ICTSG. However, the Service Area will still need to undertake a rigorous process to define their project, which may mean that the headings in this template are useful. For such projects, Service Areas should initially contact the Applications Support Manager.

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor; in this instance the business case will be reviewed by ICT Steering Group (ICTSG). It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each option and the recommended option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.

It is the responsibility of the Service Area to decide if a feasibility study is required prior to completing the business case. A Service Area may choose to undertake a feasibility study if:

the approach is unclear; purchase off the shelf or develop in-house
it is unclear if the desired outcomes are achievable; legislation constraints, data sharing,
third party agreement, technology issues.

- The Business Case is frequently referred to during the project. At each Quality Review point (End of Stage) the Business Case is used to determine whether or not the forecast benefits that formed the basis of project approval will still be realised.
- At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.
- The next stage following approval of the Business Case is the identification of the project scope within a Project Initiation Document (PID).

1.3 How to use this template

This document provides a guide to the topics required by the ICTSG to determine whether a project should be included in the ICTSG's programme of work.

2 Business Problem Analysis

Currently the Purchasing Card process is paper-based with monthly returns being completed using an excel template; hard copies are printed, details filled in, they are then signed-off by the card-holder and a manager with delegated authority, then forwarded to the FSTeam with transaction receipts attached for reconciliation and re-charge.

An “Authorised Signature” spreadsheet has to be maintained to record which managers have the delegated authority to sign-off the monthly returns and what their financial limit is.

After reconciliation; recharges are journaled through Total and the returns/receipts are scanned onto a network folder on the WDC Shared Drive.

There is no electronic method in place to analyse the transactions being made.

We have to publish a monthly transaction report (PDF and CSV) on the Council’s website which shows all transactions including the following details; which service areas completed them, date of transaction, amount, merchant name, merchant type, description of goods/service. We currently extract a transaction report from the HSBC Mi-Vision system, we have to add merchant types and then publish an initial report on the website. As the monthly returns are received for reconciliation, the FSTeam manually add goods/services descriptions to a “working” excel spreadsheet which once completed is again published on the website, as a final report, in PDF and CSV versions.

2.1 Business Problem

- It is a paper based process that doesn’t fit with the Council’s aims of digitization
- There are costs associated with this; use of paper, staff time, network storage (?)
- HSBC have an advanced version of the Mi-Vision system which has electronic processes to manage card spend similar to our self-serve, however, we do not qualify for this version as we do not have enough annual spend on our card account and it is not available for purchase
- Staff in remote sites find the return deadlines more challenging, i.e. time taken to post or hand-deliver to Riverside House, and it doesn’t fit with agile working
- There is no electronic means of analysing how cards are being used or reporting functionality
- Creating and publishing the monthly report on the website is a manual, convoluted and time consuming process

3 Preferred Solution

3.1 Solution – Create an in-house electronic Purchasing Card system

3.1.1 Description

Create an electronic monthly return form accessed via the intranet which allows for documents to be uploaded (i.e. scanned receipts) that is then submitted to a nominated line manager for authorisation.

The form would need to be intelligent with regards to sending to the correct line manager for the individual completing it; ideally there would also be a way in which it can be escalated to A.N.Other Manager(s) if not dealt with in a set timescale, i.e. the manager initially receiving the form may be on annual leave or off sick. There would also need to be a method of maintaining this hierarchy due to staff leaving or moving roles/teams such as linking in to the active directory on the intranet.

Once the nominated manager has authorised the form it is then submitted for the FSTeam to access in order to complete the reconciliation process.

Preferably, the system will also have a means to analyse the transactions that have been completed on an ongoing basis and also help to improve the publication process of the monthly website report.

3.1.2 Benefits, Goals and Measurement Criteria

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• New revenue generated• Reduction in costs• Increased profit margin	<ul style="list-style-type: none">• It will reduce costs of using paper, staff time in delivering paper returns and staff time chasing missing information and manually preparing the monthly website report• Being able to analyse transactions may create financial benefit such as highlighting needs for a corporate contract for purchasing certain goods, or staff not using existing corporate contracts or may highlight procurement legislation not being adhered to.• It will save on physical storage space of the receipts prior to them being scanned.• The scanned receipts will be in a more accessible form than under the current scanning regime.
Operational	<ul style="list-style-type: none">• Improved operational efficiency• Enhanced quality of product / service	<ul style="list-style-type: none">• It will save staff time by removing the need to deliver paper copies or time spent manually producing the monthly website report. If the form made fields mandatory it would also save time chasing up missing information such as cost codes.• It will fit with agile working as staff won't need to be in

		<p>the office to complete</p> <ul style="list-style-type: none"> It will make the process quick, easy, secure and potentially lead to more timely returns which in turn will lead to timelier recharging of transactions; this would support better budget management.
Customer	<ul style="list-style-type: none"> Improved customer satisfaction Increased customer retention Greater customer loyalty 	<ul style="list-style-type: none"> It will increase satisfaction with internal customers, for example; staff at remote sites won't need to hand deliver returns or use internal post both of which can lead to late returns
Staff	<ul style="list-style-type: none"> Increased staff satisfaction 	<ul style="list-style-type: none"> See customer comment It will create a more efficient process which will save FSTeam work time and hassle thereby increasing their satisfaction

3.1.3 Digital Benefits

Description	Value
<p>How many citizens will the project benefit?</p> <p><i>For example, does the project only benefit council tenants, people with parking permits or users of one of our facilities? Where theoretically a service could be used by anyone in the district, actual usage figures should be used.</i></p>	<ul style="list-style-type: none"> N/A – it will benefit staff internally
<p>How many transactions does the business process deal with?</p> <p><i>For example, a particular business process may have 5,000 customers annually, but as they are required to contact the service quarterly, they therefore generate 20,000 transactions annually.</i></p>	<ul style="list-style-type: none"> There are monthly returns from up to 63 card holders; returns can have multiple transactions and vary month to month (to calculate a total number of transactions over a period of time would mean manually counting transactions on the monthly reports)
<p>What is the average current duration of the process from service request to completion?</p>	<ul style="list-style-type: none"> The whole overarching process can take up to 4 weeks due to chasing outstanding returns and dealing with errors/omissions. The process starts again for the new month sometimes with a couple of days of completing the previous months process Time taken by individuals completing their paper returns will vary dependent on the number of transactions completed

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none">Initial software purchaseData gatheringNew hardwareTemporary additional resources	N/A - Internal electronic solution required
Total	
Revenue Costs	Amount
<ul style="list-style-type: none">Software licence costsSupport costsPermanent additional resources to maintain/operate system/process	N/A - Internal electronic solution required
Total	N/A

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
N/A		

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
That the new solution is not an improvement on the current paper-based process	2	3	Careful exploration of the problem we are trying to solve. User Acceptance Testing by relevant staff

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
-----	---------------------

1)	Currently there is no analysis of transactions completed other than FSTeam members highlighting issues when completing the reconciliation of returns; this could mean that inappropriate transactions are being completed and not dealt with, it could also mean that we are missing opportunity to save costs and better control spend
2)	The Purchasing Card scheme is due to be audited in February 2018; the above is very likely to be highlighted. As this is a known issue it would be nice to have a resolution ahead of the audit.

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1)	WDC have the technology, means and resources to create an electronic system for completion of monthly purchasing card transaction returns including uploading of receipts and a line manager authorisation process
2)	The authorised form is then able to be accessed by the FSTeam for reconciliation
3)	FSTeam have all the required information to complete recharges to individual cost codes
4)	Information is stored / indexed and is available for future review in case of queries
5)	System enables analysis of cardholders transactions
6)	System enables production of monthly report for the Council's website

4 Implementation Approach

4.1 Outline Project Scope

- Creation of an in-house Purchasing Card electronic solution to meet the assumptions noted above
- ICT feasibility exercise required to ascertain what we might be able to achieve in-house

4.2 Service Area Resources

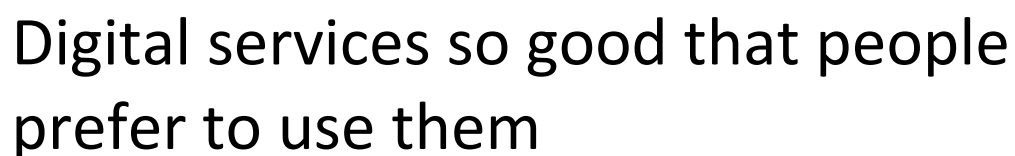
- Project manager – ICT lead / Jon Dawson
- Design authority – ICT lead / Jon Dawson
- Testing - FSTeam
- Training – potentially 63 card holders depending on complexity and the FSTeam (5 people)
- System owner – Jon Dawson

4.3 ICT Services Resources

A kick-off meeting was held on 21st June 2017 and various staff reviewed the contents of this business case. As agreed, the next step was to look into the feasibility of this request and to see what may be

achievable after which the project scope and likely method of approach can be properly agreed. The solution will certainly require some Application Support analyst / developer resource.

ICT Steering Group – Business Case Template



ICT Steering Group – Business Case Template

Revision History

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1.3 How to use this template	5
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3.1.4 Costs and Funding Plan	8
3.1.5 Risks	8
3.1.6 Issues	9
3.1.7 Assumptions	9
4 Implementation Approach	9
4.1 Outline Project Scope	9
4.2 Service Area Resources	9
4.3 ICT Services Resources	10

1 Template Guide

1.1 What is a Business Case?

The Business Case gathers the information to allow management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. It includes:

- A description of the business problem (or opportunity) which exists in the business
- Details of the preferred option, supported by a feasibility study if required
- The benefits and costs associated with the preferred option
- A recommended solution option for approval.

1.2 When do I use a Business Case?

The ICTSG has agreed that any project that requires less than 74hrs of Application Support time, does not require a formal business case to be evaluated by the ICTSG. However, the Service Area will still need to undertake a rigorous process to define their project, which may mean that the headings in this template are useful. For such projects, Service Areas should initially contact the Applications Support Manager.

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor; in this instance the business case will be reviewed by ICT Steering Group (ICTSG). It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each option and the recommended option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.

It is the responsibility of the Service Area to decide if a feasibility study is required prior to completing the business case. A Service Area may choose to undertake a feasibility study if:

the approach is unclear; purchase off the shelf or develop in-house
it is unclear if the desired outcomes are achievable; legislation constraints, data sharing,
third party agreement, technology issues.

- The Business Case is frequently referred to during the project. At each Quality Review point (End of Stage) the Business Case is used to determine whether or not the forecast benefits that formed the basis of project approval will still be realised.
- At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.
- The next stage following approval of the Business Case is the identification of the project scope within a Project Initiation Document (PID).

1.3 How to use this template

This document provides a guide to the topics required by the ICTSG to determine whether a project should be included in the ICTSG's programme of work.

2 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

2.1 Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
 - The reasons why the problem exists; including as a result of an audit recommendation
 - The elements which create it (e.g. human, process, technology)
 - The impact it is having on the business (e.g. financial, cultural, operational)
 - The timeframes within which it must be resolved.
 - Small developments which contribute to the wider digital agenda. For example, a project which removes cheque payments.
-
- Our Code of Financial Practice requests that payment is received before services are delivered. For services that are delivered 'in the field' the only payment options are for the officer to take cash / cheques or to ask the customer to pay online.
 - There is an active project to remove cash / cheque payments made directly to WDC – this project would contribute towards this aim
 - The lack of a field payment solution means that officer's safety is sometimes compromised and also unnecessary delays occur in delivering the service, while payment is organized.
 - Attempts to utilize the Capita field payment solution were abandoned in 2017/18 as their SmartPay module was not in a marketable state and no anticipated compliance date was available
 - A corporate solution is needed as soon as possible

3 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

3.1 Solution Field Payments

3.1.1 Description

To enable officers who require payment to be made before services can be delivered to take payments in the field and increase the efficiency of the process which they operate.

3.1.2 Benefits, Goals and Measurement Criteria

Currently pest control officers and dog warden service require payments to be made before services can be delivered. Unfortunately this is often part way through a process in a person's field or in a location outside of the office environment due to the nature of their work.

The process requires the officers to refuse/withhold service until the payment has been made either on line, by cash, cheque or via a visit to the offices. This is often inconvenient for both the customer and the officers. It can also lead to confrontation particularly in the case of the dog warden.

Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none">Reduction in costs in terms of officer time and resourcesRemoves cash payments to lone workers in the field	
Operational	<ul style="list-style-type: none">Improved operational efficiencyEnhanced quality of product / service	<ul style="list-style-type: none">2 hours per week (just for the pest control / dog warden service)
Customer	<ul style="list-style-type: none">Improved customer satisfactionIncreased customer retentionGreater customer loyalty	
Staff	<ul style="list-style-type: none">Increased staff satisfactionReduced risk to staff as lone workers	

NB: The benefits listed above are examples only and the boxes should be modified to describe the projects actual benefits. All quantifiable benefits listed must be supported by current performance figures.

3.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit? <i>All users of the service across the district.</i>	
How many transactions does the business process deal with? <i>In total this would equate to 1600 interventions per year based on those recorded in</i>	

2016/17 and 2017/18 to date. This will increase to 2500 interventions approx. annually based upon estimated service demand figures over the next five years.	
What is the average current duration of the process from service request to completion?	4 days to first response. Average queries are resolved within 11 days (2017/18 Q1 & Q2)

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	Unknown - solution requires investigation to establish. Estimate £10,000 for products (Software purchase and hardware).
<ul style="list-style-type: none"> Integration with PARIS Income Management (new fund required) A new Merchant ID 	Estimated £2000 for PARIS import configuration Cost N/K (£1K?)
Total	Estimate £13000 for products (Software purchase and hardware).
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	Unknown
Total	

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
The cost can be recovered in whole or part through the fees set to deliver the dog warden service and the pest control services		

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Card fraud (through data being on devices which are lost)	3	5	Ensure that the solution holds securely any data or does not hold the data on devices.
Ensuring that payment can be taken in locations without mobile signal	3	3	Established as part of the investigation actions to select or create a system.

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1.	Remove cash/cheque payments (handing of such by lone workers)
2.	Remove the delay/refusal of immediate service provision due to payment method availability

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1.	That the solution is fit for purpose throughout the authority
2.	That it is somehow possible to integrated with our back office system to record that payment has been received

4 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

4.1 Outline Project Scope

- Investigate the available systems for field payment
- Enable customers to pay for the service securely by credit card or debit card in field
- Provide the customer with a receipt
- Process the transactions through the PARIS and TOTAL systems
- A second phase to this project would be to investigate how to Integrate transactions to our back-office systems in real-time.

4.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

-
- Project Manager – Pete Cutts
 - Design Authority – Jayne Bailey
 - Testing - Pest Control officers/Dog Warden/ Business Support Officer (vacant) & also PARIS System Owner
 - Training - All officers delivering service including those who stand in at times of least resource.
 - Final System Owner – Same as for all the other 3rd party payment solutions (such as Capita / allpay)

4.3 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

Application Support Analyst assistance with evaluating proposed solutions and also to assist with implementation and creation of the PARIS Fund / end to end testing.

If the project also covers integrating the payments into the pest / dog cases system then additional ICT resources will be required.

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3.1.6 Issues	10
3.1.7 Assumptions	11
4 Implementation Approach	11
4.1 Outline Project Scope	11
4.2 Service Area Resources	12
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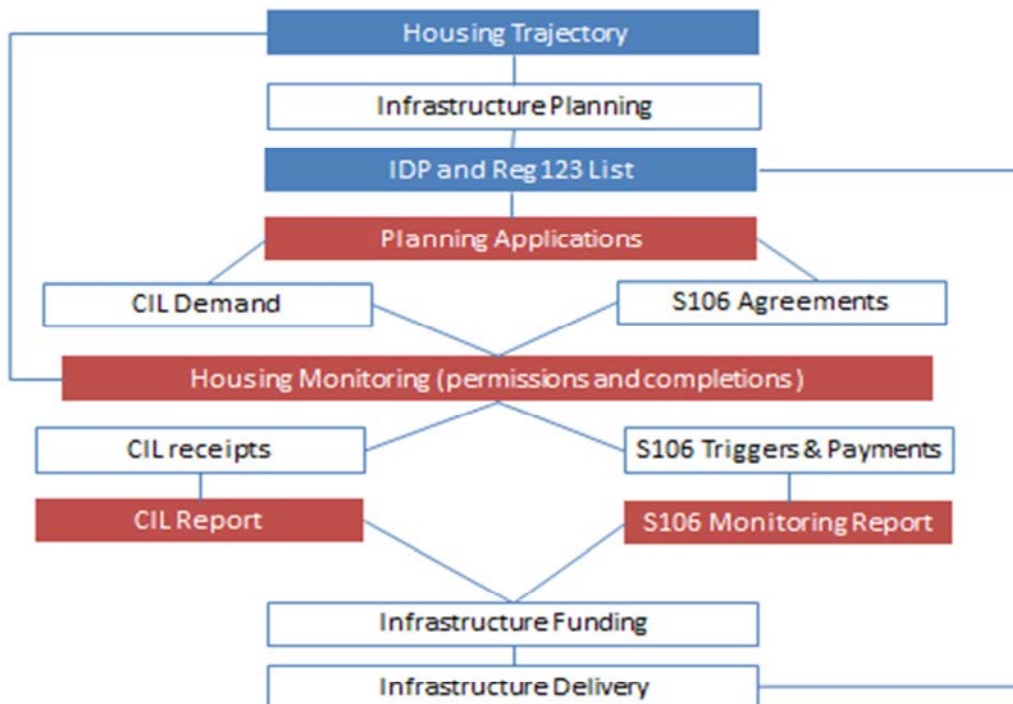
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2.1 Business Problem

At present development services maintain a range of documents associated with housing and infrastructure planning and delivery.

Document	Purpose	Format
Housing Monitoring (permissions and completions)	To record data on housing completions and permissions on an annual basis	Access database (from which Excel Spreadsheets are extracted)
Housing Trajectory	To show housing land supply and anticipated delivery on a site by site basis	Excel spreadsheet (adapted from the spreadsheet extracted from Access database)
Infrastructure Delivery Plan	To show all planned infrastructure projects including costs, sources of funding (and an ambition to show progress)	Excel spreadsheet
Reg 123 List	To show infrastructure project to which CIL is intended to apply	Word document
CIL Report	To report on CIL income and expenditure (total and on a project basis)	To be established (expected to be partially from a crystal report from Acolaid)
S106 database	To record all S106 agreements	Excel Spreadsheet
Quarterly S106 monitoring report	To show progress for all large sites in terms of delivery, S106 triggers and receipts	Word document

The diagram below shows how these relate to each other.



The documents in **blue** are those which we currently understand cannot be recorded and reported from Acolaid

The documents in **red** are those which we currently understand could be recorded and reported in Acolaid, although the system is likely to require some significant configuration to enable this

Issues

There are a number of issues with the current way of operating:

- a) Double handling of data and duplication of effort (inefficiencies, cost and risk of errors)
- b) Overlapping data held in a range of different systems and files leading to issues with version control, accuracy and data security
- c) Diverse systems (Access database, Excel, Word, Acolaid) leading to issues with data supporting and reporting

3 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

3.1 Solution :

- a) Migrating data to Acolaid
- b) Introducing improved and more secure systems for data that cannot be held on Acolaid

3.1.1 Description

Acolaid incorporate modules for recording and reporting planning obligations (including S106 and some aspects of CIL) and monitoring (including housing and employment land permissions and completions). It is proposed to migrate historic monitoring data across to Acolaid and to introduce systems which enable data to be captured in a reported from Acolaid as we go forwards

Alongside this, it is recognized that because Acolaid is a case-based system, there is some critical monitoring data that cannot be held in the system, including the housing trajectory and the Infrastructure Delivery Plan. However, this data links closely to the data that will be held in Acolaid. It is therefore necessary to review and improve the way this data is captured and held so that it can be aligned to Acolaid data, efficiencies can be achieved and data can be held more securely.

As a key outcome, we want to ensure reports can be drawn from the systems to meet business needs including:

- Annual Monitoring Report, housing delivery and the 5 Year Housing Supply
- IDP Updates and progress on infrastructure delivery
- Section 106 obligations including triggers, payments etc
- CIL Reports – as required by Reg 62 of CIL regulations
- Data to support Service Area Plan measures

3.1.2 Benefits, Goals and Measurement Criteria

Describe the tangible and intangible benefits to the Service Area upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed.

NB: The benefits listed below are examples only and the boxes should be modified to describe the project's actual benefits. All quantifiable benefits listed must be supported by current performance figures.

Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• There is expected to be a potential reduction in costs as a result of reducing double handling of data and achieving efficiencies	Unknown
Operational	<ul style="list-style-type: none">• By maximising use of Acolaid we can enter data once and hold the data in a way that means it can be used to inform all processes leading to:<ul style="list-style-type: none">○ More accurate, more detailed and more integrated reports○ Reduced data entry time○ More effective member scrutiny	Rough estimate: 12 to 15 hours per week?

	<ul style="list-style-type: none"> Achieve improved data security (currently held in unsupported systems such as Access and Excel) 	
Customer	<ul style="list-style-type: none"> Improved monitoring should have a knock-on effect of more effective housing, employment and infrastructure delivery 	Indirect, therefore cannot be quantified
Staff	<ul style="list-style-type: none"> Reduced confusion and frustrations with current system 	

3.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit? <i>Indirectly the project will benefit all current residents and businesses, plus business and people who want to relocate in to the District</i>	
How many transactions does the business process deal with? <i>Housing Trajectory: approx. 400 entries</i> <i>IDP: approx 50 entries</i> <i>Reg 123 list: Up to 10 entries</i> <i>Planning Applications: Approx 2000 per annum</i> <i>Housing Monitoring: approx. 200 entries per year drawn from all planning applications. In total the access database holds xx entries (in the thousands)</i> <i>CIL Report: 40 pieces of data drawn from all CIL liable planning applications</i> <i>S106 Monitoring Report: 300 entries</i>	
What is the average current duration of the process from service request to completion? <i>It is an ongoing annual process</i>	

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase 	None required
<ul style="list-style-type: none"> Data migration 	There will be a cost, but this is currently unknown Possibly iro £5000
<ul style="list-style-type: none"> New hardware 	None required
<ul style="list-style-type: none"> Temporary additional resources 	Likely to require part time project management for 6 months £15,000
Total	£20,000 (minimum)
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs 	None

<ul style="list-style-type: none"> • Support costs • Permanent additional resources to maintain/operate system/process 	
Total	

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
Planning Reserve or Service Transformation	£15,000	Temporary project management resource
Planning Reserve or Service Transformation	Unknown	Data migration costs: To be agreed

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
DS Staff time	3	4	Employ project manager; clear and string project management; prioritisation by senior managers in DS (long term benefits for short term pain); close working with staff in IT and at IDOX
Lack of knowledge and expertise within DS	3	3	Regular meetings with IDOX and IT staff to build DS understanding of Acolaid capabilities; build expertise through a project team; training as required
Data migration costs unknown – could be too expensive	2	4	Once the costs are known, this will be a decision point in the project. If too expensive and there are no affordable alternatives, then project will be ended early

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	Double handling of data and duplication of effort (inefficiencies, cost and risk of errors)
2	Overlapping data held in a range of different systems and files leading to issues with version control, accuracy and data security
3	Diverse systems (Access database, Excel, Word, Acolaid) leading to issues with data supporting and reporting

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	Data can be migrated in bulk from Access and Excel to Acolaid

4 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

4.1 Outline Project Scope

Project Scope:

Document	Purpose	Format
Housing Monitoring (permissions and completions)	To record data on housing completions and permissions on an annual basis	Access database (from which Excel Spreadsheets are extracted)
Housing Trajectory	To show housing land supply and anticipated delivery on a site by site basis	Excel spreadsheet (adapted from the spreadsheet extracted from Access database)
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S106 database	To record all S106 agreements	Excel Spreadsheet
Quarterly S106 monitoring report	To show progress for all large sites in terms of delivery, S106 triggers and receipts	Word document

- Establish capabilities of Acolaid to support business requirements
- Consider system options for those requirements that cannot be met through Acolaid
- Configure Acolaid and any parallel systems

-
- Test
 - Provide training

Timescales

Some of the data handling and monitoring within the scope of this project is ongoing and in that context, the sooner a new system can be introduced, the better. However, key steps are undertaken on an annual basis following the end of each financial year. It is therefore suggested that before April 2018, the approach to monitoring for 2018/19 is agreed, with the system being fully operational in time for the monitoring in April/May 2019:

- Commence data entry during 2018
- Use system for reporting from April 2019 onwards

4.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

Project Sponsor: Dave Barber

Project Manager: Additional Resource

Project Team: Gary Fisher; Phil Clarke or Dave Butler, Chris Garden, Michael Martin

Testing: Chris Garden, Michael Martin

Training: Andrew Cornfoot; Dave Butler, Planning Policy Officers, Admin officers

System Owner: To be determined as part of DM Restructure Phase 2

4.3 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

We will need Jonathan to be involved if at all possible!!

Warwick District Council

ICT Steering Group – Business Case Template



Digital services so good that people prefer to use them



www.warwickdc.gov.uk

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1 Template Guide

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The Business Case gathers the information to allow management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. It includes:

- A description of the business problem (or opportunity) which exists in the business
- Details of the preferred option, supported by a feasibility study if required
- The benefits and costs associated with the preferred option
- A recommended solution option for approval.

1.2 When do I use a Business Case?

The ICTSG has agreed that any project that requires less than 74hrs of Application Support time, does not require a formal business case to be evaluated by the ICTSG. However, the Service Area will still need to undertake a rigorous process to define their project, which may mean that the headings in this template are useful. For such projects, Service Areas should initially contact the Applications Support Manager.

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor; in this instance the business case will be reviewed by ICT Steering Group (ICTSG). It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each option and the recommended option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.

It is the responsibility of the Service Area to decide if a feasibility study is required prior to completing the business case. A Service Area may choose to undertake a feasibility study if:

the approach is unclear; purchase off the shelf or develop in-house
it is unclear if the desired outcomes are achievable; legislation constraints, data sharing,
third party agreement, technology issues.

- The Business Case is frequently referred to during the project. At each Quality Review point (End of Stage) the Business Case is used to determine whether or not the forecast benefits that formed the basis of project approval will still be realised.
- At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.
- The next stage following approval of the Business Case is the identification of the project scope within a Project Initiation Document (PID).

1.3 How to use this template

This document provides a guide to the topics required by the ICTSG to determine whether a project should be included in the ICTSG's programme of work.

2 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

2.1 Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
- The reasons why the problem exists; including as a result of an audit recommendation
- The elements which create it (e.g. human, process, technology)
- The impact it is having on the business (e.g. financial, cultural, operational)
- The timeframes within which it must be resolved.
- Small developments which contribute to the wider digital agenda. For example, a project which removes cheque payments.

OR

2.1 Business Opportunity

Outline the business opportunity which has been identified, including:

- A summary of the generic opportunity
- Any supporting evidence to prove that the opportunity is real
- A timeframe within which the opportunity will likely exist
- The positive impact that realisation of the opportunity will have on the business.

Currently food officers are operating a light touch mobile solution that captures and records just a small amount of the available offsite data and information that needs to be recorded. There also remains a need for officers to be located in the office to undertake some tasks that could in theory be carried out in the field. The team has been on a steep learning curve but has now got to a stage where they feel more confident in the capabilities of the system as a whole and are keen to see it develop.

3 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

3.1 Total Mobile Solution

3.1.1 Description

The FOSH team would like to explore ways to develop Total Mobile (TM) to make it more agile. The overall aim of agile working is simply to create a more responsive, efficient and effective organisation, which ultimately improves business performance and increases customer satisfaction.

3.1.2 Benefits, Goals and Measurement Criteria

Developing the system to interact better with the back office work management system will increase the productivity and efficiency of the team and improve customer interaction. For example being able to email documents and reports to the customer while on site will provide an instant service to our customers and also negate the need to come back to the office as frequently. This will mean officers will be able to prioritise their time and dedicate resources to those business that are either poor performers and/or require additional services from us.

Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none">Reduction in costs in terms of officer time, resources and associated travelling expensesSpace savings/reduced property costs	
Operational	<ul style="list-style-type: none">Improved operational efficiencyEnhanced quality of product / serviceExtended business hours	
Customer	<ul style="list-style-type: none">Improved customer satisfactionGreater customer confidenceImproved business continuity – less disruption due to weather, office security issues, travel problems etc.	
Staff	<ul style="list-style-type: none">Improved staff performanceIncreased staff satisfaction, health and happinessReduced absenteeism and related costs	

NB: The benefits listed above are examples only and the boxes should be modified to describe the projects actual benefits. All quantifiable benefits listed must be supported by current performance figures.

3.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit?	All citizens in the district.
How many transactions does the business process deal	In total this would equate to improving on the services delivery of around 2000 associated

with?	visits and inspections.
What is the average current duration of the process from service request to completion?	1 – 10 working days

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Most physical costs have already been realized (mobile device, licenses to use TM) 	None
Total	
Revenue Costs	Amount
<ul style="list-style-type: none"> The main cost will be in terms of time and resource to develop the existing system by FOSH officers and IT staff and will be dependent on the outcome of the Project Initiation Document (PID) Permanent additional resources to maintain/operate system/process 	None
Total	0.00

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
NA		

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Data breach - devices being stolen/lost	2	5	Ensure that the solution holds securely any data or does not hold the data on devices.
Solutions fail or officers lose confidence in capability.	3	3	Established as part of the investigation actions to select or create a development plan that is agile, realistic and clear.

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1.	Ensure that the Project Initiation Document is SMART
2.	IT ability to support the FOSH team

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1.	That mobile working provides a greater quality of service

4 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

4.1 Outline Project Scope

- Investigate with IT which of the FOSH process systems can be further developed to work with TM that will enhance overall service delivery.
- Develop and agree a plan that engages the team and has clear user and client benefits.
- Test process changes
- Implement process changes
- Monitor the success of the changes.

4.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Project Manager – Lorna Hudson
- Design Authority – Nicola Hoare
- Business Support Officer (vacant)
- All officers delivering service
- Final System Owner – Regulatory Manager

4.3 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

- Provide advice to the project managers.
- Advise on the processes of the current system to facilitate the development of enhanced usability, exposing the required APP fields to TotalMobile to support the field workers
- Agree what can be achieved in the short, medium and longer term.
- Provide a test system for the team to familiarize themselves with the new processes

ICT Steering Group – Development of GPS enabled fly-tipping reporting



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ICT Steering Group – Business Case

Revision History

Document	ICT Steering Group – Production of a GPS enabled reporting process for public reporting of fly-tipping providing feedback using an “Amazon style” approach
Author	Graham Folkes-Skinner
Date Completed	5 January 2018
Reviewed Date	

Version	Revision Date	Revised By	Revisions Made
0.1			
0.2			
1.0			
2.0			
3.0			
4.0			

Approvals

This document requires the following approvals:

Title
ICT Steering Group

Distribution

This document has been distributed to:

Name	Title

1 Business Problem Analysis

1.1 Business Problem

The production of a GPS enabled fly-tipping reporting process will provide an opportunity to improve the experience for members of the public reporting issues and therefore is a Business Opportunity (See Section 1.2 below)

1.2 Business Opportunity.

An interactive fly-tipping reporting process will:-

- Minimize the multiple reporting of the same fly-tip by showing the reporter through a GPS layer whether Warwick District Council is already aware of issue.
- Allow greater “ownership” of issue by member of the public through updates.
- Allow the direct uploading of standardized information and photographic evidence into Civica, hence reducing time spent by Business Support on phone calls and entering data.
- Allow statistical and spatial analysis of fly-tipping possible.
- Provide feedback to reporter indicating that the issue has been dealt with.
- Has the potential to be used in conjunction with the use of Total Mobile by contractors providing direct reporting of resolution of issue both to member of the public and Neighbourhood Services.

2 Preferred Solution

2.1 The production of a GPS enabled fly-tipping reporting system

2.1.1 Description

To allow the ability of a member of the public to access a GPS enabled page of the WDC website using a smart phone to report a fly-tipping incident through “placing a pin on a map” on the website and have the following features:-

- Allow the uploading of photographs
- Only allow reporting of fly-tipping within the boundaries of Warwick District Council
- Allow reporter to see whether the incident has already been reported to prevent repetition
- Provides the ability to ask set questions about the incident to allow standard and appropriate information to be collected
- Provide feedback to member of the public about the resolution of the issue
- Has the potential to link to another project involving Total Mobile for contractors and the ability for direct reporting following resolution of the incident.

2.1.2 Benefits, Goals and Measurement Criteria

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• Drive usage from phone to on-line – a cheaper channel.	<ul style="list-style-type: none">• An improved online experience will lead to higher online usage and hence fewer calls to Council.
Operational	<ul style="list-style-type: none">• Save staff time in the back office.	
Customer	<ul style="list-style-type: none">• Improved customer satisfaction.• Improved usability and access to information.	<ul style="list-style-type: none">• Provide automated progress updates.• Prevent the need to phone the Council.• Manage customer expectations by providing automated updates.
Staff	<ul style="list-style-type: none">• Increase staff satisfaction	<ul style="list-style-type: none">• See above

2.1.3

2.1.4 Digital Benefits

Description	Value
<ul style="list-style-type: none">• The project would benefit the vast majority of the residents within the District as there is a high proportion of the District has a high propensity to access information/services online and this will provide both the means and feedback to report fly—tips on line.• There are approximately 25 emails/month that come into the Contract Services email address	Anyone with online access wishing to report a fly-tipping in relation to a location within the District

2.1.5 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none">Initial software purchaseData gatheringNew hardwareTemporary additional resources	None
Total	0
Revenue Costs	Amount
<ul style="list-style-type: none">Software licence costsSupport costsPermanent additional resources to maintain/operate system/process	None
Total	0.00

Funding Source	Amount	Notes
To be discussed		

2.1.6 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Integration between the different systems is difficult to achieve	2	4	Proof of Concept has shown that it works
Automated customer updates do not work as expected	1	3	End User Testing

2.1.7 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1.	The skills/time to enable the captured data to be kept up to date

2.1.8 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1.	There is sufficient funding to complete the project
2.	We adhere to the principles of the Digital Strategy

3 Implementation Approach

3.1 Outline Project Scope

To be agreed

3.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Project Manager – to be confirmed
- Design Team – Combination of NS officers and ICT
- Testing – Neighbourhood Services
- Training – Not known
- System Owner – Contract Services Manager

3.3 ICT Services Resources

- Apps Support Developers

What we currently do

WDC currently uses ActiveH (MIS) to facilitate the recording and raising of repairs for the repairs service, ActiveH (MIS) also supports and monitors all external contractors.

WDC have 3 members of staff (repair coordinators) who answer telephone calls and raise repair requests.

We deliver our repairs service to tenants and leaseholders using the following methods

Telephone – We received telephone calls (15020) December 2016 to December 2017)

Email – We received 3,000 December 2016 to December 2017)

Online form/web forms – We received 200 (December 2016 to December 2017)

Contact us 250

Live chats= we have had 5 live chats (October 2017 to December 2017) trail ongoing

Repairs service received 15020 phone calls between December 2016-17

Repairs answered 14136 phone calls between December 2016-17

Average time spent on each phone call 2 minutes 57 seconds (= 14136 divided into 15020 x 100)

There were 18642 repair jobs raised December 2016-2017

Jobs raised via a phone calls were 14136 divided by 18642 x 100= 76% of telephone call equates to the overall jobs raised which were received via a phone call.

Working on the assumption that only 54% of tenants are online (Star satisfaction data July 2017) - and assuming that only 25% would utilise an online repair reporting feature...

This means that 13.5% of tenants and leaseholders would be users of a new online function.

We took 14136 repairs calls over the last 12 months - therefore it could be argued that 13.5% of these calls (1908 calls) would be 'lost' because they have been reported on line instead.

This is:

1908 a year

159 a month

37 a week

If we then assume the average call time is 2m 57s (as per last 12 months), this saves the following time spent on the phone:

99 hours a year

8.2 hours a month

1.9 hours a week

1. Details of options available

We currently use a simple Tenants' Portal which was developed in-house and is integrated to ActiveH. This portal allows tenants to check their rent statement and to make payments. It could be extended to incorporate repair reporting functionality using a third party solution such as Omfax (see section 2 below).

The portal was written in-house as the ActiveH Customer Portal had, at that time, some fundamental security flaws that prevented WDC from purchasing it. This situation may now have been resolved but this would be covered as part of any new solution evaluation.

ActiveH Customer Portal

The ActiveH Customer Portal takes the access of information to a brand new level, allowing secure access for tenants and staff to their own information at the click of a button. With many businesses now looking for ways to move the management of communication to a more customer friendly platform, the ActiveH Customer Portal allows customers 24 hour access to real time relevant information from core systems. The customer portal can offer a 360° view of services with access to Rent Information, Repairs & Appointments, Surveys, Lettings, Local Community and Tenant Participation all directly from ActiveH, in real time.

Simple to use interface

This integrated approach eliminates the need for technical training in website design, so that the customer portal can be designed and operational in a matter of minutes. The result is a simple to use customer facing interface that can be embedded in your own website or your own website can be embedded within the portal.

With an easy to use administration tool, any authorised member of the business will have the ability to maintain their section of a portal to keep your customers up to date. This makes the Customer Portal a web based solution that you have control over rather than a third party and you can keep your customers right up to date. This makes the Customer Portal a web based solution that helps tenants, while bringing benefits to the business by reducing the number of unstructured calls to the front office leading to major cost savings.

ActiveH Customer Portal Features

- § Repairs History – will show the open and closed repairs for a current or former tenancy. (Configurable to only show current tenancy information only)
- § Repairs Logging – enables tenants to log minor repairs against a current tenancy. Tenants need to indicate the type of minor repair – Orbit is a big customer of this.

Additional consideration for improvement ActiveH can also offer improvement to the following areas

- § Rent Statement – will show a balance and history for all accounts and transactions for a current or former tenancy
- § Printable statements

Benefits

Self-serve for all tenants and leaseholders

Staff could self-serve and report repairs direct

Reduction of telephone received

Encouragement of tenants and leaseholder to digital inclusion in line with WDC digital strategy

Compatibility with the main stream web browsers.

User definable schemes integrated Housing Associations Web site.

User customisation.

Real time ActiveH integration.

Costs

Customer portal module £8,000

2. Other applications

A number of alternatives exist which require consideration. Examples include Omfax - online-keys facts £16,000 based on 80000 properties.

Category	Benefit	Value
Financial	<ul style="list-style-type: none"> Less time spent on call handling Reduction of volume of phone calls received Reduction in the number of phone calls that staff have to return e.g. making appointments 	
Operational	<ul style="list-style-type: none"> Improved operational efficiency Enhanced quality of product / service Effective self-serve system 	<ul style="list-style-type: none"> Hours saved
Customer	<ul style="list-style-type: none"> Improved reporting facility at a time to suit customers Increased customer satisfaction Greater individual service for customers to report repairs at a time that suits 	
Staff	<ul style="list-style-type: none"> Increased staff satisfaction Improved service delivery 	

Digital Benefits

Description	Value
How many customers will the project benefit?	We have housing stock of 5600 tenants and 580 leaseholders who could use this service
How many transactions does the business process deal with?	<p>Telephone calls – we received (15020- December 2016 to December 2017)</p> <p>Email 3,000</p> <p>Online form/web forms 200 (December 2016-December 2017)</p> <p>Contact us 250</p>

	<p>Live chats= 5 (October 2017 to December 2017) trail ongoing</p> <p>Repairs service received 15020 phone calls between December 2016-17</p> <p>Repairs answered 14136 phone calls between December 2016-17</p>
What is the average current duration of the process from service request to completion?	

Costs and Funding Plan

It is not yet possible to consider costs in any detail as an appraisal process has not yet been undertaken.

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	<p>£8,000 (ActiveH module)</p> <p>£16,000 (Omfax)</p>
Total	
Revenue Costs	Amount
<ul style="list-style-type: none"> Software license costs Support costs Permanent additional resources to maintain/operate system/process 	
Total	

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
HRA	TBC	

Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
The possibility that we have to check/monitor/authorise each on line requests received	4	5	

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear ‘mitigating actions’ should be defined.

Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	Implementation – training-
2	How to capture requests logged by a 3 rd party (as the portal is for tenant’s requests only)
3	How to prevent duplicate requests being made for the same repair

Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	Launching the product – Selling the product

Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the ‘digital design principles’. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

Outline Project Scope

- Create a web site and form so customers can self-serve
- Enable customers to report online
- Integrate request directly into ActiveH
- Could staff use the same solution

- Issues jobs to contractors
- Online appointment service for repairs work to be completed

Solution:

- Needs to integrate to other systems. If so, this needs to be defined in the scope. It may also need reflecting in the costs.
- This proposal is likely to lead to the need for other development? For example, interfacing into contractors systems.

Service Area Resources

- Who will act as the project manager Amanda Bennett
- Who will act as the design authority? Amanda Bennett
- who will undertake testing- Service Improvement team and Michael Branson (web usability)
- who will require training- Repairs service
- who will eventually become the system owner- ActiveH System Owner

ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

Support with appraisal of operational models, including the security of any proposed product, integration factors, and procurement, design and implementation matters

Warwick District Council

ICT Steering Group – Integrated Litter Bin reporting



Digital services so good that people prefer to use them

ICT Steering Group – Business Case

Revision History

Document	ICT Steering Group – Production of a Litter Bin Round Database for use by Client and Contractor alike with the potential of using the mapping and geolocation technology for the use of QR Codes as tool for direct reporting of litter bin issues
Author	Graham Folkes-Skinner
Date Completed	2 January 2018
Reviewed Date	

Version	Revision Date	Revised By	Revisions Made
0.1			
0.2			
1.0			
2.0			
3.0			
4.0			

Approvals

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Distribution

This document has been distributed to:

Name	Title

1 Business Problem Analysis

1.1 Business Problem

The production of a Litter Bin Round Database will provide an opportunity to improve the Street Cleansing Service and therefore a Business Opportunity (See Section 1.2 below)

1.2 Business Opportunity.

A Litter Bin Round Database will

- Provide clarity to the location, number, type and frequency of emptying of Warwick District Council's Litter Bins.
- Ensure easy access to information whilst dealing with telephone, on-line and/or face to face enquiries.
- Provide the opportunity to allow direct reporting by the public of Litter Bin issues through the use of QR Codes
- Useful tool for Asset Management

2 Preferred Solution

2.1 The production of a Litter Bin database and potential use of QR Codes on Warwick District Council Litter Bins

2.1.1 Description

ICT Services and Neighbourhood Services to build a litter bin database to provide a reference tool for day to day queries/strategic decisions/ asset management. In addition:

- Use QR Codes for allow a direct reporting opportunity for members of the public to highlight and with the use of QR codes both a direct reporting opportunity for members of the public to highlight litter bin issues.
- Potentially use the Data Capture contractor to add the litter bins off the database to a GPS mapping layer.
- It will potentially link to an proposed Neighbourhood Services IT Project entitled “Providing Total Mobile for Contractors” allowing contractors to report back on the resolution of an issue

2.1.2 Benefits, Goals and Measurement Criteria

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• A consistent, accurate reference database will provide a more cost effective approach to queries• Provide a more efficient approach to dealing with and targeting issues with litter bins.• Allow strategic decisions to be made about the allocation and/or removal of litter bins.• Provide clarity on the frequency and therefore the cost of emptying and maintaining the litter bin stock	<ul style="list-style-type: none">• Informed decisions can be made on the litter bin stock relating to asset renewal
Operational	<ul style="list-style-type: none">• The production of a litter bin database will save WDC staff time in the back office when dealing with queries, asset renewal, requests for new bins etc.• With an operational database there will be the opportunity to use QR Codes for the direct reporting of litter bin issues• Contractor could potentially use Total Mobile form to report back that problem has been fixed	<ul style="list-style-type: none">• Although few emails are generated about litter bins, there is the opportunity to automate the whole process
Customer	<ul style="list-style-type: none">• Improved customer satisfaction• Increased customer retention• Greater customer loyalty	<ul style="list-style-type: none">• The production of a database reduces the barriers to accessing the information and therefore the service provided
Staff	<ul style="list-style-type: none">• Increased staff satisfaction	<ul style="list-style-type: none">• Time saving and operational benefits

2.1.3

2.1.4 Digital Benefits

Description	Value
<ul style="list-style-type: none">• Will enable all members of the public with smart phone technology to report litter bin issues directly	

<ul style="list-style-type: none"> With litter bins added to the Data Capture work, it will allow all residents to view the location and emptying frequency of the litter bins within the District Ability to present and manipulate data spatially 	
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2.1.5 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	£0 £0 £0 £0
Total	
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	If mobile devices are provided to contractors then the costs per user are: TotalMobile licenses at £810 each. TM license support & maintenance £81.00 pa Mobile data contract x 1 £125
Total	£810 one off cost £206 per year

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes
To be discussed		

2.1.6 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Information used for database is inaccurate	1	3	This should be minimal as there have been a number of opportunities to collect the relevant information
Failure to maintain the data once	1	5	Appropriate resources need to be identified

database has been completed			
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2.1.7 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1.	The skills/time to enable the captured data to be kept up to date

2.1.8 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1.	There is sufficient funding to complete the project

3 Implementation Approach

3.1 Outline Project Scope

To be agreed

3.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Project Manager – to be confirmed
- Design Team – Combination of NS officers and ICT
- Testing – Neighbourhood Services
- Training – Not known
- System Owner – Contract Services Manager

3.3 ICT Services Resources

Application Support developers

ICT Steering Group – Lone Worker Monitoring System Business Case



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ICT Steering Group – Business Case Template

Revision History

Document	ICT Steering Group – Business Case Template
Author	Ty Walter
Date Completed	27 June 2016
Reviewed Date	27 June 2016

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0.1	01 June 2016	Ty Walter	First Draft
0.2	09 June 2016	Ty Walter	First draft amendments from Tass, Smith, Rob Hoof & Michael Barnson.
1.0	27 June 2016	Ty Walter	Updates to the 'Template Guide' and 'Scope' following feedback from ICTSG
2.0			
3.0			
4.0			

Approvals

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Title
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Contents

ICT Steering Group – Business Case Template	2
1 Template Guide	Error! Bookmark not defined.
1.1 What is a Business Case?	Error! Bookmark not defined.
1.2 When do I use a Business Case?	Error! Bookmark not defined.
1.3 How to use this template	Error! Bookmark not defined.
2 Business Problem Analysis	4
2.1 Business Problem	4
2.1 Business Opportunity	Error! Bookmark not defined.
3 Preferred Solution	4
3.1 Solution [Title]	4
3.1.1 Description	4
3.1.2 Benefits, Goals and Measurement Criteria	4
3.1.3 Digital Benefits	5
3.1.4 Costs and Funding Plan	5
3.1.5 Risks	6
3.1.6 Issues	6
3.1.7 Assumptions	6
4 Implementation Approach	7
4.1 Outline Project Scope	7
4.2 Service Area Resources	7
4.3 ICT Services Resources	7

1 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

1.1 Business Problem

- Following an evaluation of the current lone working systems necessary improvements were identified.
- The current systems are not effective and therefore investigation is being undertaken to identified an appropriate solution (development of current or new)
- Without an affective system in place employees are placed at risk of harm from violence and or aggression.
- The lone working procedure is committed to developing a solution in 2018.

2 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

2.1 Solution: Lone Worker Monitoring System

2.1.1 Description

The preferred solution is to purchase a 'ready made' system solution which fits the need of all of the lone workers within the Council including Councilors.

2.1.2 Benefits, Goals and Measurement Criteria

- Ensure compliance with Health and Safety Legislation
- Ensure the safety of employees and councilors who are lone working. To ensure that in combination with risk assessments and alternative working arrangements to minimize lone working, staff that need to do so are provided with control measures which are suitable and sufficient.

Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• None identified. Whilst savings could be made on the current spend of the systems we own and operate. The cost may be greater than that currently spent. However this could be less than the cost of formal	

	action by HSE or personal injury claim.	
Operational	<ul style="list-style-type: none"> None identified 	
Customer	<ul style="list-style-type: none"> None identified 	
Staff	<ul style="list-style-type: none"> Increased staff satisfaction Greater protection and oversight of staff in vulnerable positions Increased staff feeling of security 	

2.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit? <i>For example, does the project only benefit council tenants, people with parking permits or users of one of our facilities? Where theoretically a service could be used by anyone in the district, actual usage figures should be used.</i>	None All Employees and councilors
How many transactions does the business process deal with? <i>For example, a particular business process may have 5,000 customers annually, but as they are required to contact the service quarterly, they therefore generate 20,000 transactions annually.</i>	For use in all situations where the employee is lone working.
What is the average current duration of the process from service request to completion?	Not applicable

2.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	Need to investigate an appropriate system to address the issue of lone working
Total	Estimated £240 per year per device. Need approximately 200 devices for staff plus additional for Councilors. Estimated Max of £60,000 annually.
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	Need to investigate an appropriate system to address the issue of lone working
Total	Recurring as above.

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes

2.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Prevention of violence and aggression towards staff	3	5	Investigating the new solution will enable an appropriate technology to be selected/implemented or developed which will provide a control measure to protect employees safety whilst they are lone working

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

2.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	The current systems do not adequately provide for the staff safety and security during periods of lone working.
2	The current system is not used by all lone workers as it is not suitable for the tasks that they undertake
3.	There a multiple different systems and procedures in place across the authority and this would provide some consistency

2.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	At a single system can be obtained which meet the needs of most if not all of the lone workers within the council
2	That a suitable system can be purchased rather than constructed internally.
3.	That checks and escalation of incidents is built into the role of one of our 24//7 operations.

3 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

3.1 Outline Project Scope

- Investigate the products on the market
- Compare and contrast to the current systems which are owned and operated by the council
- Produce a business case to recommend selection/trial/development of an appropriate product
- Needs to link to monitoring back office (ours or another organisation)
- Must follow the lone working policy which the council has adopted

3.2 Service Area Resources

- Project manager - Marianne Rolfe
- Design authority - Ian Carden / Unions Representative/ HR
- Testing - Nominated members of staff to lone work across the council
- Needs training - All lone working staff and councilors
- System owner - Pete Cutts

3.3 ICT Services Resources

The first stage is to determine what solution is required and this will require investigation of the solutions available against those which we already own and operate. At this time there is not input required from the ICT service.

Warwick District Council

ICT Steering Group – Miscellaneous Payments Management System Business Case



Digital services so good that people prefer to use them

ICT Steering Group – Business Case – Internal Miscellaneous Payments Requests

Revision History

Document	ICT Steering Group – Business Case Template
Author	Ty Walter
Date Completed	27 June 2016
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Version	Revision Date	Revised By	Revisions Made
0.1	01 June 2016	Ty Walter	First Draft
0.2	09 June 2016	Ty Walter	First draft amendments from Tass, Smith, Rob Hoof & Michael Barnson.
1.0	27 June 2016	Ty Walter	Updates to the 'Template Guide' and 'Scope' following feedback from ICTSG
2.0			
3.0			
4.0			

Approvals

This document requires the following approvals:

Title
ICT Steering Group

Distribution

This document has been distributed to:

Name	Title

Contents

ICT Steering Group – Business Case – Miscellaneous Payments Management System2

Revision History	2
1 Business Problem Analysis	4
1.1 Business Problem	4
2 Preferred Solution	5
2.1 Solution [Miscellaneous Payments Database]	5
2.1.1 Description	5
2.1.2 Benefits, Goals and Measurement Criteria	5
2.1.3 Digital Benefits	6
2.1.4 Costs and Funding Plan	6
2.1.5 Risks	7
2.1.6 Issues	7
2.1.7 Assumptions	7
3 Implementation Approach	8
3.1 Outline Project Scope	8
3.2 Service Area Resources	8
3.3 ICT Services Resources	9

1 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

1.1 Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
 - The reasons why the problem exists; including as a result of an audit recommendation
 - The elements which create it (e.g. human, process, technology)
 - The impact it is having on the business (e.g. financial, cultural, operational)
 - The timeframes within which it must be resolved.
 - Small developments which contribute to the wider digital agenda. For example, a project which removes cheque payments.
-
- Each year our Fees & Charges are subject to an annual uprate organised via a report submitted to Members.
 - Ensuring that the Capita Online Miscellaneous Payments system is updated to reflect these changes currently falls to ICT Services to coordinate and it's hard to get buy-in from Service Area teams to provide the new information. In fact the whole process is unnecessarily time-consuming.
 - Currently all requests for new Miscellaneous Payments are manually handled by ICT Services as there is no facility for Service Areas to supply the required information in a structured format. This is also an unnecessarily time-consuming process and it may be that if the process was easier, Service Areas would be more inclined to push for online payments rather than cash / cheque payments.
 - The Miscellaneous Payment information is held in a spreadsheet. A small database would be preferable so that new entries are subject to data validation at the point of entry. Failures to adhere to the data requirements results in Capita rejecting the file.

2 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

2.1 Solution - Miscellaneous Payments Management System

2.1.1 Description

Provide a summarised description of the preferred solution. This will include the general approach to be taken and a summary of the core elements of the solution (e.g. people, process, organisation, technology).

ICT Services to develop an Intranet-based web application to enable the fees & charges 'owners' to update their own entries and also add new 'candidate' entries. The application would:

- email staff (using generic email addresses) to advise them to update / check their entries by a given date
- provide a link to their entries only
- allow staff to add in new Misc Payments
- monitor / escalate to ensure file is ready in good time for ICT to send to Capita for testing / go live
- All input fields would have validation – as any mistakes break the Capita upload process
- Generate csv file to email to Capita once changes made (first to TEST site and then to LIVE)

This development would allow one of the less experienced developers the chance to use their new programming skills without the pressure of a hard deadline.

However, because the developer is less experienced, it will probably take them more than 2 weeks to complete the development piece.

2.1.2 Benefits, Goals and Measurement Criteria

Describe the tangible and intangible benefits to the Service Area upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed.

NB: The benefits listed below are examples only and the boxes should be modified to describe the project's actual benefits. All quantifiable benefits listed must be supported by current performance figures.

Complete the following table:

Category	Benefit	Value
Operational	<ul style="list-style-type: none">• Internal self-serve facility for new payments• Ability to amend fees & charges based on annual uplift• Inbuilt data validation to remove likelihood of rejected files	Would save ICT Services at least one week per year of time spent chasing Service

		Areas
Customer	<ul style="list-style-type: none"> Increased options for making card payments for WDC services 	Reduction in number of cash / cheque payments still received
Staff	<ul style="list-style-type: none"> Increased staff satisfaction 	Much of the time currently spent by ICT Services is

NB: The benefits listed above are examples only and the boxes should be modified to describe the projects actual benefits. All quantifiable benefits listed must be supported by current performance figures.

2.1.3 Digital Benefits

Description	Value
<p>How many citizens will the project benefit?</p> <p><i>For example, does the project only benefit council tenants, people with parking permits or users of one of our facilities? Where theoretically a service could be used by anyone in the district, actual usage figures should be used.</i></p> <p>Although the solution will ultimately be used by citizens, the main benefit will be to internal staff</p>	-
<p>How many transactions does the business process deal with?</p> <p><i>For example, a particular business process may have 5,000 customers annually, but as they are required to contact the service quarterly, they therefore generate 20,000 transactions annually.</i></p> <p>Any citizen who requests a service that has a Miscellaneous Payments option would ultimately benefit from this solution. We handle transactions</p>	For the period 01.04.17 to 31.12.17 there were 12302 transactions totaling £1,027,703
<p>What is the average current duration of the process from service request to completion?</p> <p>It makes more sense to quote the time taken to set up / amend a payment, rather than recording the time taken to make an actual payment. The suggested self-serve option would present all the data in an intuitive format.</p>	It takes at least an hour of email exchanging to set up a new payment type.

2.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	0
Total	0
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	0
Total	0

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes

2.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
That the time spent developing this solution would be better spent on other projects	2	3	The time spent and progress made will be monitored by the Application Support Manager. If time is excessive against progress made, the project will be withdrawn.

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

2.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	This project will be handled by a new-trained developer so progress will be slow, at least initially

2.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	That the new solution is an improvement on the current manual process

3 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

3.1 Outline Project Scope

For example, in the case of waste container charging, the outline scope is:

- Create a web form for customers to request the service
- Enable customers to pay for the service on-line
- Integrate request directly into back-office system
- Allow One Stop Shop and internal staff to use the same solution for telephone and face-to-face service delivery
- Notify contractors of service request

Although the above is an example, consideration should also be given to whether the solution:

- Needs to integrate to other systems. If so, this needs to be defined in the scope. It may also need reflecting in the costs.
- Is the proposal likely to lead to the need for other development? For example, updating of bin round data could have implications for the Property Portal.
 - Create a database using the existing LIVE and TEST Miscellaneous Payment records
 - Create an intranet form to allow staff to view, amend, add payment records
 - Develop an email facility to prompt staff to check / update their records following the annual fees & charges report
 - Test with selected users
 - Create Intranet page as placeholder for the new solution
 - Go live / advertise to staff

3.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- who will act as the project manager – Tass Smith
- who will act as the design authority – Emma Squires
- who will undertake testing – To be decided, possibly Building Control and Neighbourhood Services teams
- who will require training – Any teams who have online Miscellaneous Payments
- who will eventually become the system owner – Tass Smith

3.3 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

One newly-trained Application Support developer

Warwick District Council

ICT Steering Group – Online Building Control Completion Certificate
Fulfilment Business Case



Digital services so good that people
prefer to use them

ICT Steering Group – Business Case Template

Revision History

Document	ICT Steering Group – Improve the Building Control certificate request fulfilment method for requesting completion certificates and quotations online via the Warwick District Council website.
Author	Phil Rook
Date Completed	8 TH Jan 2018
Reviewed Date	

Version	Revision Date	Revised By	Revisions Made
0.1			
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2.0			
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Approvals

This document requires the following approvals:

Title
ICT Steering Group

Distribution

This document has been distributed to:

Name	Title
Phil Rook	Head of Consortium
Linda Conmy	Business Support Manager
Tracy Darke	Head of Development Services
Sam Gowing	Business Support Apprentice
Tass Smith	Application Support Manager
Dave Barber	Head Of Development Services (As of 26/02/18)

Contents

ICT Steering Group – Business Case Template	2
1 Template Guide	4
1.1 What is a Business Case?	4
1.2 When do I use a Business Case?	4
1.3 How to use this template	5
2 Business Problem Analysis	6
2.1 Business Problem	6
2.1 Business Opportunity	Error! Bookmark not defined.
3 Preferred Solution	7
3.1 Solution [Title]	7
3.1.1 Description	7
3.1.2 Benefits, Goals and Measurement Criteria	8
3.1.3 Digital Benefits	8
3.1.4 Costs and Funding Plan	9
3.1.5 Risks	9
3.1.6 Issues	10
3.1.7 Assumptions	10
4 Implementation Approach	10
4.1 Outline Project Scope	10
4.2 Service Area Resources	12
4.3 ICT Services Resources	13

1 Template Guide

1.1 What is a Business Case?

The Business Case gathers the information to allow management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. It includes:

- A description of the business problem (or opportunity) which exists in the business
- Details of the preferred option, supported by a feasibility study if required
- The benefits and costs associated with the preferred option
- A recommended solution option for approval.

1.2 When do I use a Business Case?

The ICTSG has agreed that any project that requires less than 74hrs of Application Support time, does not require a formal business case to be evaluated by the ICTSG. However, the Service Area will still need to undertake a rigorous process to define their project, which may mean that the headings in this template are useful. For such projects, Service Areas should initially contact the Applications Support Manager.

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor; in this instance the business case will be reviewed by ICT Steering Group (ICTSG). It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each option and the recommended option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.

It is the responsibility of the Service Area to decide if a feasibility study is required prior to completing the business case. A Service Area may choose to undertake a feasibility study if:

the approach is unclear; purchase off the shelf or develop in-house
it is unclear if the desired outcomes are achievable; legislation constraints, data sharing,
third party agreement, technology issues.

- The Business Case is frequently referred to during the project. At each Quality Review point (End of Stage) the Business Case is used to determine whether or not the forecast benefits that formed the basis of project approval will still be realised.
- At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.
- The next stage following approval of the Business Case is the identification of the project scope within a Project Initiation Document (PID).

1.3 How to use this template

This document provides a guide to the topics required by the ICTSG to determine whether a project should be included in the ICTSG's programme of work.

Brief Project Outline

- Improve the Building Control certificate request fulfilment method for requesting completion certificates and quotations online via the Warwick District Council website. This will reduce the number of emails being sent to the generic email addresses:
Buildingcontrol@warwickdc.gov.uk
BCadmin@warwickdc.gov.uk

2 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

2.1 Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
- The reasons why the problem exists; including as a result of an audit recommendation
- The elements which create it (e.g. human, process, technology)
- The impact it is having on the business (e.g. financial, cultural, operational)
- The timeframes within which it must be resolved.
- Small developments which contribute to the wider digital agenda. For example, a project which removes cheque payments.

Reasons for the changes

- Currently, both copies of completion certificates and Building Control quotations are received in the generic email boxes. Completion certificates are requested by the property owner, developers and solicitors – often when the property is being sold.
- The current way requests are received is very labour intensive. Through digitising the process by being able to request co online, a self-service approach will be introduced which will ultimately result in improved customer service and reduced costs.
- Quotation requests also come into the generic email boxes or to an individual officer. This process would be greatly improved if the customer could fill in a form on the BC web site which would then be sent to a new generic email box so that the duty Building Consultant can assess the request and generate a quotation.
- Timescale – within the next 12 Months

3 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

3.1 Solution: Online Building Control Completion Certificate Fulfilment Business Case

3.1.1 Description

Provide a summarised description of the preferred solution. This will include the general approach to be taken and a summary of the core elements of the solution (e.g. people, process, organisation, technology).

- Will streamline the system as a whole, efficiency will be increased and will provide a better service to our customers.
- Pricing and information about the type and range of completion certificates will be written more clearly.
- Will encourage a 'self-service' approach.
- Will reduce the workload for Admin – by reducing the number of emails being sent to the generic email boxes.
- You will be able to modify the BC application address to display which BC certificates are available for that property.
- There will be a link to the JADU form to request and pay for the certificate online. The JADU form will link to the WDC payment engine. This will reduce the number of telephone payments made.
- Automatic generation of completion certificates which will automatically notify admin to issue the certificate refining the system.

Benefits of an Online Quotation Request Form (similar to above)

- It will be more efficient for the customer to receive a quote online for the fees they need to pay – rather than having to phone the office.
- The form would allow the customer to upload drawings which would allow the officer to provide a more accurate quote.
- The time spent during phone enquires will be reduced if quotes are requested electronically.
- It will be easier for both the customer/officers to clearly understand the information reducing the chance of mistakes being made.

Other Factors to Consider

- Costs – To be discussed – However the benefits of the changes will far outweigh the initial cost to implement them. (Mainly IT time to undertake the project)
- Timescale – within the next 12 Months

- Disadvantages/Negatives – Small reasons such as ignorance to change?

3.1.2 Benefits, Goals and Measurement Criteria

Describe the tangible and intangible benefits to the Service Area upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed.

NB: The benefits listed below are examples only and the boxes should be modified to describe the project's actual benefits. All quantifiable benefits listed must be supported by current performance figures.

Complete the following table:

Category	Benefit	Value
Financial	<ul style="list-style-type: none"> • Reduction in costs 	<ul style="list-style-type: none"> • Time saved in dealing with enquiries – email enquiries will enable response via email reducing print costs
Operational	<ul style="list-style-type: none"> • Improved operational efficiency • Enhanced quality of product / service 	<ul style="list-style-type: none"> • Hours saved, more efficient service as streamlined, considered more efficient overall.
Customer	<ul style="list-style-type: none"> • Improved customer satisfaction 	<ul style="list-style-type: none"> • Will encourage self-service approach, therefore more direct and efficient improving service overall to clients.
Staff	<ul style="list-style-type: none"> • Increased staff satisfaction 	<ul style="list-style-type: none"> • Saving on staff time completing mundane tasks should reduce emails, and telephone payments.

NB: The benefits listed above are examples only and the boxes should be modified to describe the projects actual benefits. All quantifiable benefits listed must be supported by current performance figures.

3.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit? <i>For example, does the project only benefit council tenants, people with parking permits or users of one of our facilities? Where theoretically a service could be used by anyone in the district, actual usage figures should be used.</i>	Anyone with online access requiring access to building regulations info.
How many transactions does the business process deal with? <i>For example, a particular business process may have 5,000 customers annually, but as they are required to contact the service quarterly, they therefore generate 20,000 transactions annually.</i>	12,000 – 14,000 per year
What is the average current duration of the process from service request to completion?	Varies depending on the request, 1- 5 days approx

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none">Initial software purchaseData gatheringNew hardwareTemporary additional resources	None
Total	
Revenue Costs	Amount
<ul style="list-style-type: none">Software licence costsSupport costsPermanent additional resources to maintain/operate system/process	None
Total	

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
If IT system went down	1 LOW RISK	4 MEDIUM / HIGH RISK	Business Continuity plans would be invoked.

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	NONE AWARE OF TODATE

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	NONE NECESSARY TODATE

4 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

4.1 Outline Project Scope

4.2 Introduction

The following an investigation of the two generic Building Control inboxes:

buildingcontrol@warwickdc.gov.uk

BCAdmin@warwickdc.gov.uk

and a discussion with Linda Conmy, Business Support Manager for Building Control, digitising the following processes and introducing an element of self-service would improve customer service and reduce cost.

4.3 Copies of Building Control Certificates

Copies of BC Certificates are requested by owners, developers and solicitors, often when the property is being sold. The current email based process is very labour intensive. A self-service alternative could be introduced as shown below:

Step 1: Update information published on the BC web site

<i>Item</i>	<i>Notes</i>
Publish the certificate pricing more clearly on the BC web site.	The prices can only be found inside a PDF called: "Schedule of Supplementary Charges".
Publish information on the BC web site about the type and range of certificates that WDC holds.	This would include: Certificate Types (Completion Certificate etc.) Date available (e.g. from "1990" onwards) Geographic area (e.g. Warwick District, Rugby, Daventry etc.)
Publish information on the BC web site about the type of certificates that WDC does NOT hold. Point the customer towards who they do need to contact instead.	Such as "competent persons" – but define by trade e.g. "double glazing" etc.?

Step 2: Introduce online ordering

<i>Item</i>	<i>Notes</i>
Modify the BC application address search to display information about the BC certificates that are available for that property.	
Add links to a new JADU web form to sell a copy of the certificate.	If there are no BC certificates that we can sell then the link to the new form will be greyed out. This will stop items being "sold" that we don't have and hence eliminate the majority of the requests for refunds.
The JADU form will request the customers email address so that a copy of the certificate can be emailed out.	This will eliminate any residual printing and postage costs.
The JADU form will link to the WDC payment engine.	
Once the payment has been accepted, the	

JADU form will send a structured email requesting the BC Admin Team to email out the certificate.	
---	--

Step 3: Automated fulfilment

<i>Item</i>	<i>Notes</i>
Instead of generating an email for BC Admin to action, this version of the software will generate an email to the customer. The certificate that they have requested will be sent as an attachment.	To build this function requires some R&D time to prove that we can write a program to read the index database within the IDOX DMS and then extract a copy of the document from the IDOX file store.
The program will generate an entry in a log file showing address, order number, date delivered etc. so that staff can easily investigate any customer queries.	

Non-WDC Certificates

The above self-service proposals will work with the Warwick certificates because they are all stored in the IDOX DMS and the BC Applications are all stored in Acolaid.

For this to be extended to the Daventry and Rugby cases either the document uploads into the IDOX DMS need to be completed OR the documents must be stored in a windows folder structure with an appropriate index.

There is the suggestion that the Daventry data does not include a coded document type, in which case finding Daventry completion certificates will be impossible.

4.4 Quotations

Requests for quotations often come in by email to the generic email boxes or to an individual building consultant.

Recommendation

Create a Quotation request form on the BC web site. The form must be capable of uploading files containing drawings. The form would then send a structured email to a new generic email box so that the duty building consultant can assess the requests and generate a quotation.

4.5 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Project Manager: Phil Rook/ Linda Conmy
- Design authority: Linda Conmy, ICT
- Testing: Linda Conmy, ICT
- Final sign-off: Phil Rook/Linda Conmy, ICT

-
- Training provided – Linda Conmy as reqd.
 - System owner: Phil Rook, Linda Conmy

4.6 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

ICT to award.

ICT Steering Group – Business Case

Revision History

Document	ICT Steering Group – Introduction of Total Mobile to Contractors
Author	Graham Folkes-Skinner
Date Completed	8 January 2018
Reviewed Date	

Version	Revision Date	Revised By	Revisions Made
0.1			
0.2			
1.0			
2.0			
3.0			
4.0			

Approvals

This document requires the following approvals:

Title
ICT Steering Group

Distribution

This document has been distributed to:

Name	Title

1 Business Problem Analysis

1.1 Business Problem

The scheduling of work and its completion currently is based on emails, phone calls and spreadsheets and there can be delays in feedback on completion of work both for Business Support, Operational Teams and ultimately members of the public

1.2 Business Opportunity.

The use of Total Mobile has the potential to offer more efficient processing and reporting of information, removing repetition of handling information. It will need partnership working between the client and contractors. A fundamental benefit would be saving time. Staff can access information via their mobile device, removing the need to manually complete paperwork and travelling back to base to key in the information. By automating these processes, staff and contractors can spend more time on service delivery by doing more jobs or spending more time on each job

2 Preferred Solution

2.1 The development of Total Mobile for Contractors

2.1.1 Description

- A good proportion of the relationship between Neighbourhood Services and its Contractors that it manages is the scheduling of work, between different teams all with different duties. Although there is a small degree of direct reporting of issues using IT solutions a lot of the work is through emails, spreadsheets and phone calls.
- The direct scheduling of work and the reporting of issues using mobile devices will allow more effective planning and greater efficiency
- Although what we want to achieve needs to be defined exactly the use of Total Mobile will allow work to be administered to the contractors and reported on more efficiently allowing direct reporting into Civica removing the cost of double handling any information

2.1.2 Benefits, Goals and Measurement Criteria

Category	Benefit	Value
Financial	<ul style="list-style-type: none">• Cost Effective method to deliver the relationship between Client and Contractor	
Operational	<ul style="list-style-type: none">• Greater productivity	<ul style="list-style-type: none">• Get jobs completed more efficiently
Customer	<ul style="list-style-type: none">• Customers will no longer be confused about how their request has been fulfilled	<ul style="list-style-type: none">• Customer to receive a status update (with photograph) once request fulfilled
Staff	<ul style="list-style-type: none">• Contractors will not need to travel to depot to pick up job information and Business Support within the Council do not need to manually re-enter the information captured into Civica	<ul style="list-style-type: none">• Contractors will know exactly where to go and what needs to be done, making them more efficient• Contractors can take a photographs as completion evidence• Contractors or Council staff do not need to manually complete repetitive paperwork

2.1.3

2.1.4 Digital Benefits

Description	Value
<ul style="list-style-type: none">• Allows staff and contractors to input information directly into mobile device which goes straight into management system i.e. Civica• Contractors will not need to travel to depot to pick up job information and Business Support within the Council do not need to manually re-enter the information captured into Civica	

2.1.5 Costs and Funding Plan

Capital Costs	Amount
---------------	--------

<ul style="list-style-type: none"> Initial software purchase Data gathering New hardware Temporary additional resources 	There is an O2 budget available for the purchase of mobile devices and ruggedized cases
Total	
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	<p>Total Mobile licences at £810 each. Likely at least 2 initially £1620</p> <p>TM licence support & maintenance £81.00 pa x 2 = 162.00</p> <p>Mobile data contract x 2 £250</p>
Total	<p>£1620 initial on-off cost</p> <p>£412 annual cost</p>

Funding Source	Amount	Notes
To be discussed		

2.1.6 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
Lack of clarity on objectives	3	5	Need very clear objectives and an understanding of what is needed from the project
Contractual Staff do not feel supported enough and will not use system	3	4	Need to understand how there day to day job works and what they need and the difficulties they face
The system is not “future proof”	3	3	Need to implement a future proofed mobile working system

Inefficient processes working alongside implementation of Total Mobile work	3	3	Review current work practices to reduce replication etc.
The current inefficiencies within the Officer Total Mobile system is replicated within Contractor Total Mobile	3	4	Issues with Officer Total Mobile need to be resolved
Lack of contractor adoption	3	5	Contractual support
Lack of signal coverage	2	2	Having a system that can automatically move to "offline mode"

2.1.7 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1.	

2.1.8 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1.	There is sufficient funding to complete the project
2.	We adhere to the principles of the Digital Strategy

3 Implementation Approach

3.1 Outline Project Scope

To be agreed

3.2 Service Area Resources

Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Project Manager – to be confirmed
- Design Team – Combination of NS officers and ICT
- Testing – Neighbourhood Services
- Training – Not known
- System Owner – Contract Services Manager

3.3 ICT Services Resources

- Apps Support Developers

Warwick District Council

ICT Steering Group – Business Case – Jadu forms and maps



Digital services so good that people prefer to use them

ICT Steering Group – Business Case Template

Revision History

Document	ICT Steering Group – Business Case Template
Author	Ty Walter
Date Completed	
Reviewed Date	

Version	Revision Date	Revised By	Revisions Made
0.1	01 June 2016	Ty Walter	First Draft
0.2	09 June 2016	Ty Walter	First draft amendments from Tass, Smith, Rob Hoof & Michael Barnson.
2.0			
3.0			
4.0			

Approvals

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Title
ICT Steering Group

Distribution

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Name	Title

Contents

ICT Steering Group – Business Case Template	2
1 Template Guide	4
1.1 What is a Business Case?	4
1.2 When do I use a Business Case?	4
1.3 How to use this template	4
2 Business Problem Analysis	5
2.1 Business Problem	5
2.1 Business Opportunity	5
3 Preferred Solution	6
3.1 Solution [Title]	6
3.1.1 Description	6
3.1.2 Benefits, Goals and Measurement Criteria	7
3.1.3 Digital Benefits	7
3.1.4 Costs and Funding Plan	8
3.1.5 Risks	8
3.1.6 Issues	8
3.1.7 Assumptions	9
4 Implementation Approach	9
4.1 Outline Project Scope	9
4.2 Service Area Resources	10
4.3 ICT Services Resources	10

1 Template Guide

1.1 What is a Business Case?

The Business Case gathers the information to allow management to judge if a project is desirable, viable and achievable, and therefore worthwhile to invest in. It includes:

- A description of the business problem (or opportunity) which exists in the business
- Details of the preferred option, supported by a feasibility study if required
- The benefits and costs associated with the preferred option
- A recommended solution option for approval.

1.2 When do I use a Business Case?

The Business Case is usually presented by Senior Management within the business to an identified Business Sponsor; in this instance the business case will be reviewed by ICT Steering Group (ICTSG). It is the first document used in the Project Lifecycle and, once approved, allows the project to be formally defined. Furthermore:

- During the development of a Business Case, it may be necessary to undertake a formal Feasibility Study. This process involves a more detailed assessment of the current business problem / opportunity, the various solution options available, the likelihood of a successful implementation for each option and the recommended option for implementation. The Feasibility Study simply provides the Business Case with more rigor for the solution options presented.

It is the responsibility of the Service Area to decide if a feasibility study is required prior to completing the business case. A Service Area may choose to undertake a feasibility study if:

the approach is unclear; purchase off the shelf or develop in-house
it is unclear if the desired outcomes are achievable; legislation constraints, data sharing, third party agreement, technology issues.

- The Business Case is frequently referred to during the project. At each Quality Review point (End of Stage) the Business Case is used to determine whether or not the forecast benefits that formed the basis of project approval will still be realised.
- At the end of the project a Post Implementation Review (PIR) will determine whether or not the project delivered the Business Benefits outlined in the Business Case. In this regard, the success of the project is measured against the ability of the project to deliver the criteria outlined in the Business Case.
- The next stage following approval of the Business Case is the identification of the project scope within a Project Initiation Document (PID).

1.3 How to use this template

This document provides a guide to the topics required by the ICTSG to determine whether a project should be included in the ICTSG's programme of work.

2 Business Problem Analysis

This section seeks to describe the issue to be addressed by the project. It consists of two parts, Business Problem and Business Opportunity. When completing this section is advisable to only complete one section depending on whether you are trying to resolve an existing problem or are looking at a new opportunity. For example, a new income generation scheme would be a business opportunity rather than a business problem.

2.1 Business Problem

Provide a summary of the core business problem, including:

- A generic description of the core issue to hand
- The reasons why the problem exists
- The elements which create it (e.g. human, process, technology)
- The impact it is having on the business (e.g. financial, cultural, operational)
- The timeframes within which it must be resolved.

OR

2.1 Business Opportunity

Outline the business opportunity which has been identified, including:

- A summary of the generic opportunity
- Any supporting evidence to prove that the opportunity is real
- A timeframe within which the opportunity will likely exist
- The positive impact that realisation of the opportunity will have on the business.

Problem

The public can currently submit forms to back office staff across the council to report issues e.g. fly tipping, problems with street litter bins. The forms are sent as emails. There are currently issues for customers and staff

- Validation on the form is insufficient so officers have to chase up members of the public for further information
- Invalid request arrive in the back office (e.g. the reported issue is in another council's area)
- All information has to be manually rekeyed into a back office system taking up officer time
- As the form arrives by email it is possible to miss submissions
- Customers receive no confirmation that their request has been received/processed/accepted so often phone up to check

Opportunity

By updating the customer interface (and using maps) and integrating the forms with back office systems we can

- Improve the customer experience. By only accepting valid requests we save the customer time. For a valid request we keep the customer informed throughout the process
- Save staff time: Staff only process valid requests and no longer have to rekey information into back office systems. Staff would not have to deal with follow up calls as the customer is automatically informed of progress.
- Drive traffic from the phone to the web. The better the web experience, the more likely people are to use it.

3 Preferred Solution

This section provides details of the Service Area's preferred solution, its benefits, costs, feasibility, risks and issues.

3.1 Solution [Build a new integrated form]

3.1.1 Description

Provide a summarised description of the preferred solution. This will include the general approach to be taken and a summary of the core elements of the solution (e.g. people, process, organisation, technology).

ICT Services to build on the Proof of Concept developed in 2017 when an integrated fly tipping form was built and successfully demonstrated. The validated form created a job in the back office system and linked to staff working out in the field.

The form could be adapted for use for various items e.g.

- Report Fly tipping
- Report damaged street bin
- Report street cleaning issue
- Report graffiti or vandalism

The enhanced solution will only allow valid requests to reach the back office.

It will automatically populate the back office system.

It will keep the customer informed of progress throughout the process.

The solution will adopt the website's new responsive design and will use the features outlined in our forms design guide.

3.1.2 Benefits, Goals and Measurement Criteria

Describe the tangible and intangible benefits to the Service Area upon implementation of the solution. One of the obvious benefits described will be that the business problem / opportunity outlined above will be addressed.

NB: The benefits listed below are examples only and the boxes should be modified to describe the project's actual benefits. All quantifiable benefits listed must be supported by current performance figures.

Complete the following table:

Category	Benefit	Value
Financial	Drive usage from phone to web – a cheaper channel	<ul style="list-style-type: none">An improved online experience will lead to higher online usage and fewer phone calls to the council
Operational	<ul style="list-style-type: none">Save staff time in the back office	<ul style="list-style-type: none">We receive 60+ reports per month just for contract service issues. Each report must be manually rekeyed (5 minutes per form) and monitored.Staff spend time dealing with customers chasing up enquiries.
Customer	<ul style="list-style-type: none">Improved customer satisfactionImproved usability, access to information	<ul style="list-style-type: none">Provide assurance for customers with automated progress updates.Prevent the need to phone the councilManage customer expectations by providing automated updates of the number of other speakers attending.
Staff	<ul style="list-style-type: none">Increased staff satisfaction	<ul style="list-style-type: none">See time savings and operational benefits above

NB: The benefits listed above are examples only and the boxes should be modified to describe the projects actual benefits. All quantifiable benefits listed must be supported by current performance figures.

3.1.3 Digital Benefits

Description	Value
How many citizens will the project benefit? <i>For example, does the project only benefit council tenants, people with parking permits or users of one of our facilities? Where theoretically a service could be used by anyone in the district, actual usage figures should be used.</i>	Anyone with online access wishing to report a problem relating to a location in the district. 86%+ of the district are online.
How many transactions does the business process deal with? <i>For example, a particular business process may have 5,000 customers annually, but as they are required to contact the service quarterly, they therefore generate 20,000 transactions annually.</i>	60+ a month.
What is the average current duration of the process from service request to completion?	It varies. If someone report fly

tipping it is usually dealt with in 48 hours.

3.1.4 Costs and Funding Plan

Capital Costs	Amount
<ul style="list-style-type: none"> Initial software purchase Data gathering Temporary additional resources 	None
Total	
Revenue Costs	Amount
<ul style="list-style-type: none"> Software licence costs Support costs Permanent additional resources to maintain/operate system/process 	None
Total	

For both the capital and revenue amounts identified above, please indicate how the funding will be made available.

Funding Source	Amount	Notes

3.1.5 Risks

Summarise the most apparent risks associated with the adoption of this solution.

Description	Likelihood (1 – 5)	Impact (1 – 5)	Mitigating Actions
The form isn't an improvement on the existing one	2	2	Clarity of specification and user testing
The automated customer updates do not work as expected	1	3	UAT
Integration is difficult to achieve	2	4	Proof of concept has shown it works and this can be carried out in stages

To complete this section thoroughly, it may be necessary to undertake a formal Risk Assessment. To reduce the likelihood and impact of each risk occurring, clear 'mitigating actions' should be defined.

3.1.6 Issues

Summarise the highest priority issues associated with the adoption of this solution

No.	Issue - Description
1	The proof of concept did not complete the process end to end so there is additional discovery work.

3.1.7 Assumptions

List the major assumptions associated with the adoption of this option.

No.	Assumption - Description
1	We adhere to the design principles of the Digital Strategy

4 Implementation Approach

This section not only requires the service area to understand its business objectives, but to clearly understand the scope of the activity. In doing so, consideration should be given to the 'digital design principles'. Special consideration should be given to whether all the customer transactions for a specific process should be in scope. For example, if a process deals with 10,000 transactions annually, of which 8,000 are identified as easy to deal with, then perhaps this is sufficient for the scope of the project.

4.1 Outline Project Scope

For example, in the case of waste container charging, the outline scope is:

- Create a web form for customers to request the service
- Enable customers to pay for the service on-line
- Integrate request directly into back-office system
- Allow One Stop Shop and internal staff to use the same solution for telephone and face-to-face service delivery
- Notify contractors of service request

Create an online form that contains a map allowing customers to report location-based issues such as fly tipping.

The form will only accept valid requests.

The submitted data will automatically populate the back office system and, where relevant, with mobile technology used by officers/contractors.

The customer will receive email confirmation that the form has been received and further confirmation that their report is in progress and has been completed.

Depending on requirements we may develop a single dynamic form that could handle different types of requests (fly tipping, street cleaning, graffiti) or separate forms for each report type.

4.2 Service Area Resources


Please use this section to describe how the service area is going to produce the necessary capacity to deliver the project. Specific consideration should be given to:

- Contact for IT during development: Sarah James
- Will conduct testing once built: Sarah James (back office) Michael Branson (public facing)
- Will send feedback to IT: Sarah James (back office) Michael Branson (public facing)
- Will re-test: Sarah James (back office) Michael Branson (public facing)
- Final sign off: Sarah James (back office) Michael Branson (public facing)

4.3 ICT Services Resources

This section should be used to describe the resource to be provided by ICT Services. To do so, the service area sponsor will need to meet with the ICT Services Applications Support Manager to agree the project scope and likely method of approach.

- Apps Support Developers

 Executive Report 7th February 2018		Agenda Item No. 14
Title	Investment in Newbold Comyn Arms Manor House	
For further information about this report please contact	Andrew Jones, Deputy Chief Executive Andrew.jones@warwickdc.gov.uk	
Wards of the District directly affected	Clarendon	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No - P&C Appendices	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	N/A	

Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		Yes
Included within the Forward Plan? (If yes include reference number)		Ref 910
Equality & Sustainability Impact Assessment Undertaken		No
N/A		
Officer/ Councillor Approval	Date	Name
Deputy Chief Executive	24 th November 2017	Andrew Jones
CMT	17 th January 2018	Chris Elliott Bill Hunt Andrew Jones
Section 151 Officer	17 th January 2018	Mike Snow
Monitoring Officer	24 th November 2017	Andrew Jones (author)
Portfolio Holder(s)	22 nd January 2018	Councillors Butler & Whiting
Consultation & Community Engagement		
N/A		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below).		

1. **SUMMARY**

- 1.1 The report recommends that this Council advances a loan of £350,000 to Mr Simon Miller, thereby enabling the erection of a single storey side extension at Newbold Comyn Arms Manor House in accordance with the granting of planning approval of application W16/1346. The property is owned by Warwick District Council but tenanted to Mr Simon Miller & Mrs Sarah Ann Miller following an assignment of the lease in October 2009.
- 1.2 The recommendation provides the opportunity for the Council to improve its assets, enhance the facilities at Newbold Comyn Park and provide an ongoing financial return to the Council which is better than could be achieved through alternative investments.

2. **RECOMMENDATIONS**

- 2.1 That Executive notes that in accordance with planning application W16/1346, Planning Committee has approved the erection of a single storey side extension at Newbold Comyn Arms Manor House, land owned by Warwick District Council (WDC) but tenanted to Mr & Mrs Miller.
- 2.2 That Executive notes that the estimated cost of the works referred to in recommendation 2.1 is £360,000 (Appendix 1).
- 2.3 That Executive notes the position with regard to the lease and delegates authority to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following the receipt of appropriate advice from Warwickshire County Council's legal officers, to revise the lease arrangements should recommendation 2.5 be agreed and revision proves necessary.
- 2.4 That Executive notes that Mr Miller has requested that WDC advances a loan of £350,000 to enable him to undertake the aforementioned works to the Manor House and to that end has produced a business plan (Appendix 2 - produced by A.G.S Consultancy) which has been reviewed by this Council's Finance Administration Manager and independently by John Ashworth Associates (Appendix 3).
- 2.5 That Executive agrees in principle to make a loan available of £350,000 to Mr Miller and delegates authority to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following the receipt of appropriate advice from Warwickshire County Council's legal officers, to determine the financing and terms of the loan ensuring that:
- Robust security for the loan is in place;
 - The loan is released in staged payments following receipt of appropriate invoices and is overseen by the Council's Finance Administration Manager being managed in accordance with RUCIS grant principles;
 - The Council's Building Control Consortium oversees the construction of the extension;
 - A valuation of the proposed extension is undertaken enabling the Council to determine the increased value of its asset.

3. REASONS FOR THE RECOMMENDATIONS

3.1 Recommendation 2.1

3.1.1 Newbold Comyn Arms is a Grade II listed building used as a public house and function rooms owned by WDC and leased to Mr Simon Miller & Mrs Sarah Ann Miller following an assignment in October 2009. The lease is for a term of 21 years from 1st April 2001 and the Tenant has the right to renew at the end of this lease in 2022. The site lies in a partially elevated location on the edge of the Newbold Comyn Park.

3.1.2 Newbold Comyn Park is a 300 acre (120ha) country park. The northern half is an 18-hole golf course although Members will be aware that this is not currently in use. The southern half is used for recreation, sport and wildlife conservation. Leam Valley Local Nature Reserve covers part of the country park. The park is one of the District's major attractions offering numerous things to see and do including:

- Football – full changing facilities available
- Walks – lots of space for families and dogs. Public footpath links to Offchurch. Climb Observation Hill for good views. Geocaches nearby
- Watch wildlife - Leam Valley Local Nature Reserve has a wetland area with a bird hide. Woodland, meadow and riverbank habitats
- Horse riding route and field
- Model aircraft flying in the designated area
- Play areas – toddlers next to Newbold Comyn Arms pub. All ages near Observation Hill car park
- Skate park – near Observation Hill car park
- Newbold Comyn Leisure Centre

3.1.3 Over the last eight years the tenants have invested £110,000 in the buildings as they endeavoured to turn round what had been a struggling business:

2009 - Various works to rendering and patio area	£10,000
New Fixed Seating and various furniture	£12,500
2010 - Kitchen Refit in Stables Bar	£28,000
2012 - BBQ Hut / Seating area	£11,500
2012 - Replacement of all outside furniture	£8,500
2013 - Marquee	£28,000
2013 - Remodel bar	£12,000

	£110,500

3.1.4 This investment has paid off in no small part due to the erection of a temporary marquee abutting the Manor House where various functions are held. However, there is no planning permission for this temporary marquee and so to ensure that the business is put on a firmer footing (as currently the lack of planning permission makes it difficult to promote the facility) a planning application was made to provide for a permanent solution for function space to replace the existing marquee. The site benefits from a large, albeit shared car park that serves the public house, golf course and country park. On 9th March 2017 planning permission was granted.

3.2 Recommendation 2.2

- 3.2.1 Mr Miller is a builder by trade being a director of Regency Construction Limited (RCL) (company number 08686707). The company's registered office is A.g.s. Consultancy (midlands), 4 Offices 1-2, First Floor, Court Street, Leamington Spa, Warwickshire, CV31 1NH and it was incorporated in September 2013. It has filed all accounts as required by Companies House. The latest credit check on the business states:

"There is no reason to doubt that the company will prove equal to engagements. The risk index allocated to REGENCY CONSTRUCTION LIMITED is based on an analysis of the findings recorded above. In the light of the information available, the overall performance and strength is considered to be sound. The company has, therefore, been awarded a low risk status."

As at 30th September 2017 the company had net assets of £62,139.

- 3.2.2 RCL's nature of business as described to Companies House is described as development of building projects, construction of commercial buildings and construction of domestic buildings. It is with this background that Mr Miller has produced a Budget Estimate Summary (Appendix 1) for the construction of the extension. This estimate details a cost of £360,000.
- 3.2.3 Should Executive agree to recommendation 2.5 then the cost estimates will be validated by the Council's own property team and the Building Control Consortium would be charged with monitoring the works very closely.

3.3 Recommendation 2.3

- 3.3.1 As described in paragraph 3.1, the Millers have invested in the Council's buildings over the last eight years to improve the profitability of their business. To take the business to the next level further investment is required. The Millers do not have the capital available without recourse to borrowing, however, the lease arrangement they have with WDC makes that very difficult.
- 3.3.2 The Warwick District Council Act 1984 regulates how the District Council deals with some of its major property assets. In the case of the Newbold Comyn Arms and Manor House, the 1984 Act gives the District Council the power to grant leases of up to a maximum of 21 years. However, the Act does not prevent the District Council granting a succession of 21 year leases to the same party. The limitation of the term has meant that financial institutions have been unwilling to grant loans to the Millers as the lenders' security could be compromised.
- 3.3.3 The issue has been explored with this Council's solicitors and a potential solution could be achieved by the granting of an initial 21 year lease to the Tenant and that lease would contain an option for the Tenant to renew the lease for a further 21 years on the same terms (including the right to renew). By that means the actual term could be extended to a desired multiple of 21 years.
- 3.3.4 A potential lender may be concerned by the fact that the renewal is dependent on the Tenant choosing to exercise their right to renew, leaving the funder potentially exposed. That difficulty may be overcome by adding the funder to the Lease as a party, and giving them rights to 'step-in' to the Tenant's shoes should they decide not to renew the lease. However, it is undeniable that this "risk" would be factored into any loan terms made available to the Millers.

3.3.5 Given this situation it is recommended that should the Executive agree to recommendation 2.5, authority is delegated to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following the receipt of appropriate advice from Warwickshire County Council's legal officers, to revise the Lease arrangements should this prove necessary. This may be the case as Mr Miller is concerned that even with a right to renew, his investment could be heavily discounted if he wishes to assign the lease at a future date.

3.4 Recommendation 2.4

- 3.4.1 Given the difficulty the Millers are encountering accessing finance, they have asked WDC whether it would be prepared to advance a loan that would enable them to undertake the works. Whilst this is not territory the Council has ordinarily ventured into, with financial support from government being reduced and the desire to keep council tax and charges as low as possible for residents, this Council is exploring commercial opportunities which previously would not have been entertained. The Millers' request for a loan could enable the Council to achieve a better rate of return than is currently being realised from its investments whilst at the same time enhancing the land it owns. However, there is an element of risk to the Council in advancing such a loan and obtaining a higher return.
- 3.4.2 Therefore following discussions with the Finance Portfolio Holder, officers asked the Millers to produce a business plan (Appendix 2) which has been reviewed by the Council's Finance Administration Manager and then by a WDC commissioned consultant, John Ashworth Associates.
- 3.4.3 The day to day business is operated by Newbold Comyn Arms Limited (company number 08964638) (NCAL) whose sole director is Sarah Miller. The company has been active since March 2014 and has filed all accounts as required by Companies House.
- 3.4.4 Unlike the RCL Credit Check, the return for NCAL gave officers concern as it stated that the company was in "an above average risk category". However, this was at odds with the trading performance of NCAL with profits of £41,289 in 2016 and £46,373 in 2017, and Total net assets circa £55,000. An investigation revealed that Companies House was under the impression that NCAL was not filing its accounts when in fact Companies House had been addressing correspondence to the incorrect address. This matter has now been resolved to the satisfaction of Companies House, however, it is unable to remove the reference to the "non-filing" on its records hence the impact on the credit score. There is no evidence to suggest that NCAL is anything other than a sound business.
- 3.4.5 The review of NCAL's business plan consisted of:
- A review of the Plan and associated documentation including published company accounts.
 - A meeting with Simon Miller.
 - A visit to the property and its location, but without any detailed inspection of the various rooms and their condition.

- An undertaking of independent research of the local market and competitive environment.

3.4.5 For the avoidance of doubt, following discussion between Deputy Chief Executive (AJ) and Mr Miller, the loan request is only in respect of the extension and not improvements to the Manor House and Stables bar (situated in the Newbold Comyn Arms public house) which would cost a further £183,000. Mr Miller had hoped that the Council would be prepared to make this investment itself given the lack of investment over the past 15 years or so. Mr Miller now recognises that this is not a Council obligation and he will therefore finance this work on a piecemeal basis.

3.4.6 Members can consider the review of the plan at Appendix 3 but the key findings are as follows:

- a) Loan repayment - based on an interest rate of 5%, "the future estimates contained within the Business Plan (Table 1) demonstrate an operating profit in future years which would be more than sufficient to cover loan repayments as described above. The adjusted figures shown in Table 3 would also be sufficient to repay the loan, although with less headroom."
- b) Market Forces - "The Plan itself contains a review of the market and the competition and is positive in its conclusions about the prospects of the business. Our own research generally supports those conclusions."
- c) Location - "A sustained marketing campaign should be an essential element of the Business Plan, not only to re-launch the new function suite in the Manor House, but also to drive traffic to the Stables Bar out of the summer season when visitor levels to the country park and the golf course fall."
- d) Target Customer Groups - "The Business Plan identifies target markets for the Stables Bar and Restaurant and for the Manor House."
- e) Competition - Stables Bar: "Provided the Stables Bar and Restaurant maintains its standards and reputation, and increases its internal capacity, it should be able at least to maintain its share of the available market, which itself is growing." Manor House: "As a family run business, the owners can offer a distinct product when compared with other suppliers. Locally, the competition for functions business is mostly hotel based."

3.4.7 Review conclusions:

"Our review of the future financial estimates in the Business Plan suggests that the planned operating profit of 35/36% per annum is better than we would expect from a business of this type. We have modelled the impact on the bottom line of different cost assumptions, which are more consistent with industry benchmarks, which produce an operating profit of 18% of turnover. This model has not been tested with the owners.

"Local market forces are consistent with the growth forecasts shown in the Business Plan and competition locally for the niche offer which the business can provide is limited.

"The future estimates contained within the Business Plan demonstrate an operating profit in future years which would be more than sufficient to cover repayments on a loan of £350,000. Our adjusted figures, shown in Table 3, would also be sufficient to repay the loan, although with less headroom."

3.4.8 The review therefore concludes that a £350,000 loan at 5% interest rate can be met by the Plan. Whilst the removal of the £183,000 improvements may have some impact on the Plan, as these largely relate to the structure of the building, the impact is likely to be minimal although Mr Miller believes he will need to find a way of addressing the improvements.

3.4.9 Following feedback from officers, Mr Miller undertook further work on the financials included in the business plan. This work can be seen at Appendix 4. To try and provide further confidence as to the rigour of the plan, it breaks the business down into the operation of the pub (known as Stables Bar) and the Manor House (the proposed extension). The plan also stress tests those operations via three scenarios: Sarah Miller incapacitated; 50% reduction in trade; and no income received from the Manor House. The plan purports to be able to support an interest rate of circa 9-10% with risk mitigation also being provided by Mr Miller's income which is not reflected anywhere in the plan.

3.4.9 As stated earlier, the company providing the income to service the loan will be Newbold Comyn Arms Limited. It has made large profits in each of the last two years. Members will therefore need to take a view on whether they consider this track record and expansion of the business robust enough to repay the loan and interest noting however, that the loan will be secured by a personal guarantee from Mr & Mrs Miller.

3.5 Recommendation 2.5

3.5.1 In addressing this recommendation, Members will first want to consider whether they believe the business plan to be credible. It has been independently reviewed but like any business plan it will come with risk so Members will need to reflect on their appetite for that risk.

3.5.2 Should Members believe the plan is sound and wish to consider a loan then they will want to be reassured that the Council has the power to make the loan and that there are no state aid or competition issues.

3.5.3 On the first point there is no legal bar to the Council making a loan. The authority to do this is under the General Power of Competence, and further, Councils have power to invest under the Local Government Act 2003.

3.5.4 With regard to the 2nd and third points then there are no state aid or completion issues that cannot be negotiated. Initial legal advice states:

"In order to minimise the risk that this loan be deemed state aid, it should be made at a "market rate". It's very difficult to quantify what this rate should be, given that WDC is the landowner.

"Here's some commentary from a recent case that might help you understanding:

"The risk of falling foul of rules on state aid is a risk area in any project which receives public funding. The consequences of unlawful state aid are drastic: the amount paid plus any interest has to be recovered by the state from the recipient.....The case demonstrates how difficult it can be for a claimant to establish that there has been state aid. The court emphasised the wide spectrum of reasonable reactions to commercial circumstances in the private market. This effectively gives a public body a wide margin of judgment when

applying the private investor test. It is only necessary to establish that a hypothetical investor, with the same characteristics as that particular public body, would have made that decision.

"Basically, in coming up with an appropriate rate/terms, WDC should get an independent view in writing, and I'm suggesting your auditors would be good people to ask for this. You should ask them for their professional opinion on what appropriate terms would be for a loan of this type, bearing in mind that the Council is landowner, and also owner of surrounding land."

- 3.5.5 Clearly the interest rate charged would require further consideration but for a loan of £350,000 @ 10% over 20 years, there would be a repayment of £472,217 interest. This can simplistically be compared with current investment returns on £350,000 which if deposited in Equity funds could potentially be averaging 6% i.e. £420,000 in total.
- 3.5.6 Members will wish to note that in supporting NCAL with its application, the Council has already invested £2,750 (including VAT) by commissioning John Ashworth Associates to review the business plan. There has also been significant time spent by Deputy Chief Executive (AJ) on the proposal although the Council's senior officers do not record their time on individual projects so it is not possible to quantify the cost incurred. There has been limited legal and treasury advice costs incurred up to this point with advice on loans being more generic when another matter was being considered. However, should approval for the loan be granted extra cost will be incurred in commissioning legal advice as well as the day-to-day administration of the loan. All these costs can be met from existing budgets and staff resources although there is obviously an opportunity cost of undertaking this work as opposed to doing something else.
- 3.5.6 Should Executive wish to agree the loan then it is recommended that authority is delegated to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following the receipt of appropriate advice from Warwickshire County Council's legal officers, to determine the financing and terms (including security) of the loan and ensure that appropriate safeguards are put in place to protect the Council's investment.
- 3.5.7 With regard to payment and administration of the loan it is proposed that this is dealt with in the same way that the Council's RUCIS schemes are managed whereby payment is only made upon receipt of invoices and the whole process is overseen by the Finance Administration Manager.

4. POLICY FRAMEWORK

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
Improved facility at which people enjoy themselves.	Enhanced the facilities in a much used park.	Investment in business which may lead to increased employment.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Not applicable.	Improved landlord service to one of our commercial tenants.	Improvement to Council asset and increased financial return.

4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting strategies. The recommendation seeks to contribute to the Council's Medium Term Financial Strategy in delivering increased income and enhancement to a non-operational asset.

5. BUDGETARY FRAMEWORK

- 5.1 The report recommends that should Members agree to advance a loan then the terms of that loan are delegated. In producing the business plan an assumption has been made that a rate of 9-10% is charged. This figure is considerably higher than the rate that would be charged to the Council via the Public Works Loan Board but certainly below what a financial institution would charge an

NCAL. Therefore in determining the rate the Council will need to ensure that it is not irrationally generous and that it provides a reasonable rate of return particularly when set against what the Council could achieve through alternative long term investments and reflects the risks incurred by the Council in loaning the funds and the costs incurred by the Council in arranging and subsequently administering the loan. To comply with State Aid rules, the rate to be charged on the loan is likely to be at the level stated here rather the 5% quoted in paragraph 3.4.6.

- 5.2 Members should also note that should the loan be approved and the building works progress then there will be an enhancement to a Council-owned asset. Whilst no estimated valuation of the improved property has been done at this point, it is undoubtedly the case that the land and buildings would be able to attract a higher rent in the future. The magnitude of the increased value will be sought to inform the interest rate to be charged.
- 5.3 Whilst the terms of the loan would need to be determined, the Millers have stated that they will provide a personal guarantee and possibly a debenture against the company (NCAL).
- 5.4 As the loan would not be for Treasury Management purposes and in accordance with the Council's Treasury Management Policy, the loan would be classified as capital expenditure and should be included within the Council's Capital Programme. From here, it will be necessary to finance the loan. For the sums involved, it is likely to be funded from the Capital Investment Reserve. However, the precise funding should be determined by the Head of Finance as part of reviewing the overall funding of the Capital Programme.

6. **RISKS - On the assumption that the loan is made**

- 6.1 The building works may start but for whatever reason they do not conclude maybe because of cashflow or personal reasons: The financial risks are largely mitigated by the payment of invoices in arrears but a half-built building would cause reputational problems for the Council, and potentially additional costs. The legal agreement around the loan will need to ensure the Council can step in to finish the works and then demand payment from Mr Miller personally.
- 6.2 As it is proposed that Mr Miller undertakes the works himself, the cost of the works may not be accurately reflected in the invoices: There will be significant due diligence before the loan is approved to ensure that the proposed works are in line with industry standard prices.

7. **ALTERNATIVE OPTION(S) CONSIDERED**


- 7.1 The Council could undertake the works itself: This was considered in detail but the Council's procurement policies would mean that Mr Miller would have to compete for the work along with other builders. Whilst superficially this may offer a best value approach, Mr Miller has priced no "developer profit" and other professional services which he will provide into his cost estimates. In reality this will make a competitive alternative bid unlikely.

BUDGET ESTIMATE SUMMARY FOR

Manor House Leamington Spa

DEVELOPMENT
TOTALS

Element	Elemental Cost	m2	sq ft	Cost %
		144	1,550	
1. Substructure	£34,162.40	£237.24	£22.04	9.49%
2 Superstructure				
Frame	£86,750.00	£602.43	£55.97	24.10%
Roof (coverings)	£31,940.00	£221.81	£20.61	8.87%
External Windows and Doors	£67,880.00	£471.39	£43.79	18.86%
Internal Walls and Partitions	£3,150.00	£21.88	£2.03	0.88%
Internal Doors	£2,000.00	£13.89	£1.29	0.56%
	£191,720.00	£1,331.39	£123.69	53.26%
3 Finishes				
Wall Finishes	£1,716.00	£11.92	£1.11	0.48%
Floor Finishes	£10,080.00	£70.00	£6.50	2.80%
Ceiling Finishes	£5,310.00	£36.88	£3.43	1.48%
	£17,106.00	£118.79	£11.04	4.75%
4 Fittings and Furnishings	£24,000.00	£166.67	£15.48	6.67%
5 Services				
Sanitary Appliances	£18,000.00	£125.00	£11.61	5.00%
Mechanical Services	£8,992.00	£62.44	£5.80	2.50%
Electrical Services	£12,114.00	£84.13	£7.82	3.37%
	£39,106.00	£271.57	£25.23	10.86%
Building Sub-total	£306,094.40	£2,125.66	£197.48	85.04%
6 External Works	£6,000.00	£41.67	£3.87	1.67%
Building and external - Sub-total	£312,094.40	£2,167.32	£201.35	86.71%
7 Professional fees and contingency	£47,850.00	£332.29	£30.87	13.29%
Sub-total	£359,944.40	£2,499.61	£232.22	100.00%
Total Net Current Cost	£359,944.40	£2,499.61	£232.22	100.00%

 Executive Report 7th February 2018		Agenda Item No. 15
Title	Investment in Playbox Theatre	
For further information about this report please contact	Andrew Jones, Deputy Chief Executive Andrew.jones@warwickdc.gov.uk	
Wards of the District directly affected	Aylesford	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No - P&C Appendices	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	N/A	

Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		Yes
Included within the Forward Plan? (If yes include reference number)		Ref 911
Equality & Sustainability Impact Assessment Undertaken		No
N/A		
Officer/ Councillor Approval	Date	Name
Deputy Chief Executive	17 th January 2018	Andrew Jones
CMT	17 th January 2018	Chris Elliott Bill Hunt Andrew Jones
Section 151 Officer	17 th January 2018	Mike Snow
Monitoring Officer	3 rd January 2018	Andrew Jones (author)
Portfolio Holder(s)	22 nd January 2018	Councillors Butler & Whiting
Consultation & Community Engagement		
N/A		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below).		

1. **SUMMARY**

- 1.1 The report recommends that this Council makes a loan available of up to £100,000 to Playbox Theatre Limited (Company number 03462037), thereby enabling the construction of a new access drive to overspill car park and delivery area in accordance with the granting of planning approval of application W/15/0808. The theatre is owned by Playbox Theatre Limited (a not-for-profit company limited by guarantee) but sits on land owned by Warwickshire County Council and so a long lease is in place.
- 1.2 The recommendation provides the opportunity for the Council to support a successful community venture, enhance the facilities at the site and provide an ongoing financial return to the Council which may be better than could be achieved through alternative investments.

2. **RECOMMENDATIONS**

- 2.1 That Executive notes that in accordance with planning application W/15/0808, Planning Committee has approved a new Playbox Theatre car park and access drive to overspill car park and delivery area (Plan at Appendix 1).
- 2.2 That Executive notes the estimated cost of the works to construct the access drive referred to in recommendation 2.1 is between £70,000 and £110,000 and the attempts that have been made to secure grant funding from other bodies (Appendix 2).
- 2.3 That Executive notes that Playbox Theatre Limited has requested that Warwick District Council (WDC) makes a loan of up to £100,000 available to enable it to undertake the aforementioned works and to that end has produced a business case (Appendix 3 - produced ATI Projects Limited) which has been reviewed by this Council's Finance Administration Manager and Head of Finance.
- 2.4 That Executive agrees to make available a loan of up to £100,000 to Playbox Theatre Limited and delegates authority to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following receipt of appropriate advice, to determine the financing and terms of the loan and being satisfied that the project is deliverable ensuring that:
- Robust security for the loan is in place;
 - The loan is released in staged payments following receipt of appropriate invoices and is overseen by the Council's Finance Administration Manager being managed in accordance with RUCIS grant principles.
- 2.5 That Executive notes that a Rural/Urban Initiatives Scheme (RUCIS) grant application for £30,000 to support changes in the theatre building will be made later this calendar year.

3. **REASONS FOR THE RECOMMENDATIONS**

3.1 Recommendation 2.1

- 3.1.1 Formed in 1986, Playbox Theatre has been operating out of Dream Factory, Stratford Road, Warwick since 1999. It shares its site with Aylesford School and

Sixth Form College, and Army Cadet Force (ACF) and Air Training Corps (ATC). The site is therefore a hub for children and young persons' activities and is handily located next to two of the District's major housing estates, Chase Meadow and Forbes. Created for young people from ages 2 to twenty-one, Playbox Theatre provides extensive training, performance, touring and wide-ranging programmes. [Playbox website link here](#)

- 3.1.2 According to Playbox, "The Dream Factory was the first purpose built and uniquely designed creative centre for young people in the UK - and in fact in Europe". Playbox is recognised as a *Key Client* of WDC (Key Clients make up a small portfolio of professional arts organisations which are recognised as important to the sustainability & long term viability of the arts infrastructure in Warwick District.)
- 3.1.3 As part of planning application W/15/0808, Playbox sought approval for a new car park, and access drive to an overspill car park and delivery area. This was necessary as the success and growth of Playbox had created a need for additional parking spaces and safe access to the site following decisions made by Aylesford School. Planning approval was granted on 22nd July 2015, however, the funding had not been secured to undertake the works, a position that remains as of today's date.
- 3.1.4 Members are directed to pages 7 to 13 of the business plan. It will be noted that the consequences of Aylesford School's decision in respect of access to the site is that if mitigation is not found to the parking situation the very viability of Playbox is threatened.
- 3.1.5 The business plan states:

"The reduced number of events shown since 2015 is a direct result of the gradual erosion of access to the rear car park for daytime / weekend classes and the congestion issue that has been caused by the total closure of the rear access from June 2016. All areas of Playbox's business are suffering either direct or collateral damage.

"Now that the access via Aylesford School is completely closed, the rear car park with the existing 20 bays is effectively 'land locked' – and cannot be accessed by vehicles at all. This is causing great concern not only for Playbox but also for the parents and other visiting companies.

"The new rear access road and car parking proposed is essential to the future sustainability of this unique creative environment known internationally and based in Warwick. It will also ensure that the Dream Factory continues to:

- maintain accessibility and participation for the local community.
- provide a family friendly daytime meeting place for parents with pre-school children.
- offer a café and resource for local business to host meetings / conferences / training.
- avoid visitors using major local roads as overflow parking that would be dangerous."

3.2 Recommendation 2.2

- 3.2.1 Following the granting of planning permission and supported by funding from WDC, ATI Projects Limited (a company used by WDC on many occasions being a specialist in bid writing and funding applications) was commissioned to determine what funding opportunities were available to finance the aforementioned works and make any likely bids.
- 3.2.2 A summary of the ATI's bid work can be seen at Appendix 2 and unfortunately no funding was available subject to further enquiries with the Arts Council (AC). Subsequent work by Playbox in pursuing this line of enquiry was not successful as the AC provides larger grants mainly to National Portfolio Organisations (of which Playbox Theatre is not) - intended to improve arts venues and buildings in the main.
- 3.2.3 The cost of the works is estimated at between £70,000 and £110,000. The table below details the quotes that have been received to date:

Contractor	Price ex VAT March 2017	Price ex VAT Jan 2018	Notes
R J Hartwell	£ 67,206	£78,966	Quotation updated 22.1.18
Allworks	£107,640	£107,640	Jan 2018 quotation as previous
Colin Constable	£ 94,590	£ 94,590 tbc	Earliest on site would be May 2018 (2017 quote confirmed)
Fairways	-	£105,546	Quotation received 19.1.18
Murray and Co	-	£167,068	Quotation received 24.1.18

- 3.2.4 At the time of writing the quotes already received are being updated and two new quotes are awaited.

3.3 Recommendation 2.3

- 3.3.1 Playbox has asked WDC whether it would be prepared to advance a loan that would enable it to undertake the works. Playbox's request for a loan may enable the Council to achieve a better rate of return than could be achieved through alternative investments whilst at the same time supporting a successful Key Client with the delivery of its aspirations. However, there is an element of risk to the Council in advancing such a loan and obtaining a higher return.
- 3.3.2 Officers asked Playbox to produce a business plan (Appendix 3) and have been assisted in its construction by ATI Projects Ltd, again funded by WDC. The business plan has been reviewed by the Council's Finance Administration Manager and Head of Finance.
- 3.3.3 The business is appropriately registered with Companies House as Playbox Theatre Limited (Company number 03462037). It is a private company limited by guarantee without share capital with three directors and a company secretary. The company has been active since November 1997 and has filed all accounts as required by Companies House.
- 3.3.4 The review of the business plan consisted of:

- A review of the Plan and associated documentation including published company accounts by Finance Administration Manager and Head of Finance.
 - A meeting with company directors Mary King and Stewart McGill by Deputy Chief Executive (AJ).
 - A visit to the property and its location by Deputy Chief Executive (AJ).
- 3.3.5 Members should also note that the development of the business plan has been an iterative process following feedback by the Finance officers and Deputy Chief Executive (AJ).
- 3.4 Recommendation 2.4
- 3.4.1 In addressing this recommendation, Members will first want to consider whether they believe the business plan to be credible. It has been reviewed by the Council's Finance Administration Manager and Head of Finance but like any business plan it will come with risk so Members will need to reflect on their appetite for that risk.
- 3.4.2 Should Members believe the plan is sound and wish to consider a loan then they will want to be reassured that the Council has the power to make the loan and that there are no state aid or competition issues.
- 3.4.3 On the first point there is no legal bar to the Council making a loan. The authority to do this is under the General Power of Competence, and further, Councils have power to invest under the Local Government Act 2003.
- 3.4.4 With regard to the 2nd point there are no state aid issues as the proposed loan is below the threshold. With regard to matters of competition the key issue is the level of interest charged. A helpful commentary from Warwickshire County Council Legal Services is as follows:
- "The court emphasised the wide spectrum of reasonable reactions to commercial circumstances in the private market. This effectively gives a public body a wide margin of judgment when applying the private investor test. It is only necessary to establish that a hypothetical investor, with the same characteristics as that particular public body, would have made that decision.
- "Basically, in coming up with an appropriate rate/terms, WDC should get an independent view in writing, and I'm suggesting your auditors would be good people to ask for this. You should ask them for their professional opinion on what appropriate terms would be for a loan of this type."
- 3.4.5 Clearly the interest rate charged would require further consideration but for a loan of £100,000 @ 10% over 10 years, total cost would be £162,745 (at today's prices) which equates to repayment of £62,275 interest over the ten years. This can simplistically be compared with current investment returns on £100,000 which if deposited in Equity funds could potentially be averaging 6% i.e. £60,000 in total.
- 3.4.6 Members will wish to note that in supporting Playbox with its application, the Council has already invested £3,600 (including VAT) by commissioning ATI Projects Limited to undertake the business plan production and prior to this ATI undertook the "grant finding" work as part of a previously commissioned contract with the Council. It is estimated that the cost of this work is a further

£1,500. There has also been significant time spent by Deputy Chief Executive (AJ) on the proposal although the Council's senior officers do not record their time on individual projects so it is not possible to quantify the cost incurred. There has been limited legal and treasury advice costs incurred up to this point with advice on loans being more generic when another matter was being considered. However, should approval for the loan be granted extra cost will be incurred in commissioning legal and treasury advice as well as the day-to-day administration of the loan. All these costs can be met from existing budgets and staff resources although there is obviously an opportunity cost of undertaking this work as opposed to doing something else.

- 3.4.7 Should Executive wish to agree the loan then it is recommended that authority is delegated to Deputy Chief Executive (AJ) and Head of Finance, in consultation with the Portfolio Holders for Business and Finance, following the receipt of appropriate advice, to determine the financing and terms (including security) of the loan.
- 3.4.8 With regard to payment and administration of the loan it is proposed that this is dealt with in the same way that the Council's RUCIS schemes are managed whereby payment is only made upon receipt of invoices and the whole process is overseen by the Finance Administration Manager.

3.5 Recommendation 2.5

- 3.5.1 The business plan refers to a further initiative "Playbox Futures". The purpose of this project is to expand the offer to a wider range of young people by developing digital media, sound performance and theatre production opportunities. This will require additional facilities, equipment and building alterations and so fundraising, including a bid to the Council's RUCIS scheme, is likely to be made during the course of this year.

4. POLICY FRAMEWORK

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
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External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local

Cohesive and active communities	Improved air quality Low levels of crime and ASB	economy Increased employment and income levels
Impacts of Proposal		
Improved facility at which people enjoy themselves.		Investment in business which may lead to increased employment.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Not applicable.	Playbox is a key client providing valuable cultural activities for residents	Improvement to asset and increased financial return.

4.2 Supporting Strategies

- 4.2.1 Playbox is a WDC Key Client – Playbox has an international reputation for young people's theatre & has been creating theatre with and for young people for 25 years. In 2015 it announced a unique partnership with the Sir Peter Ustinov Foundation which led to the launch of the first Ustinov Theatre School (UTS) in the UK, providing world-class theatre training free to talented local young people ages 14-18, aspiring to a career in the theatre.
- 4.2.2 In terms of the strategic future direction of the Arts Service, a priority is to maximise resources and impact by working in partnership with key local organisations. This way of working is recognised in the Arts Review & Strategy for its effectiveness & for making best use of small resources for maximum impact. This would also be in line with the national trend amongst local authorities which has seen a shift from one of service delivery to that of enabling, facilitating & commissioning of services around key strategic priorities. The WDC Key Client relationship/process offers the opportunity for WDC to work in partnership with key arts organisations, influencing their development and programmes of work, identifying joint priorities & delivering WDC outcomes. This way of working delivers excellent value for money as a small amount of WDC investment helps secure external funds (with external funders explicitly looking for the reassurance of the Local Authority partnership) as well as being maximised by Key Client resources. Playbox's custom-built theatre space is also a resource used by other local professional &

emergent organisations e.g. in 2015 Playbox launched P:LAB which offers free space to explore & create new work.

- 4.2.3 Playbox's provision further contributes to the Council's objectives through community engagement & participation – specifically high quality & innovative children/youth arts opportunities. This aligns with Department for Culture Media and Sport's (DCMS) 2016 Culture White Paper Theme 1, to increase participation in culture especially amongst children & young people, and to promote clear pathways into work including tackling barriers to working in the arts professionally. Playbox has a strong track record of young people successfully making the progression to working in the theatre industry & initiatives such as UTS offer young people from disadvantaged backgrounds this opportunity. Playbox has also appointed a senior post dedicated to developing Playbox's outreach work with the objective of increasing Playbox's engagement with children/young people from disadvantaged backgrounds.
- 4.2.4 Prosperity - Playbox's high quality arts activity enhances Warwick District's reputation, attracts investment (e.g. Ustinov Foundation, ACE, Trusts & Foundations, private donors, business sponsorship), contributes to the visitor economy through drawing participants and audiences from across Warwickshire & provides employment opportunities for local artists & other staff. As such it makes a contribution to WDC's strategic vision of the District as a great place to live, work, visit & invest in business. Participation in the arts has also been shown to increase the likelihood of young people going on to further education and training, and Playbox's provision can be said to be helping raise the aspirations of young people locally & developing the skills & educational assets of the District. This aligns with DCMS' 2016 Culture White Paper Theme 2, culture supporting economic growth, jobs & wellbeing.

5. BUDGETARY FRAMEWORK

- 5.1 The report recommends that should Members agree to advance a loan then the terms of that loan are delegated. In producing the business plan an assumption has been made that a rate of 10% is charged. This figure is considerably higher than the rate that would be charged to the Council via the Public Works Loan Board but probably below what a financial institution would charge an enterprise such as Playbox. Therefore in determining the rate the Council will need to ensure that it is not irrationally generous and that it provides a reasonable rate of return particularly when set against what the Council could achieve through alternative long term investments and that it reflects the risks incurred by the Council in loaning the funds and the costs incurred by the Council in arranging and subsequently administering the loan.

5.2 Playbox Financials

5.2.1 Profit and Loss:

	2013 £	2014 £	2015 £	2016 £
Turnover				
Sales	246,883	258,589	308,304	280,519
Deferred income released	26,265	25,528		
Other operating	0	898		

income

Cost of Sales

Raw materials purchases / production costs	14,739	28,458	49,202	42,689
Finished goods purchases / merchandise	1,596	2,596	1,189	3,094
Direct costs / canteen costs	18,706	20,458	22,174	23,186

Gross Profit	238,107	233,503	235,739	211,550
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Other operating income

Grant & Lottery transfers	8,000	41,365	36,240	15,940
Sponsorship and donations	17,721	11,985	8,896	16,293
Ustinov Foundation	0	0	12,922	31,737
Fundraising / other operating income	229	0	0	8,976

Administrative expenses

253,667	271,905	277,308	273,245
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Operating Profit	10,390	14,948	16,489	11,251
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Interest payable

Bank interest on loans / OD	0	283	76	1,879
Other interest paid	3,300	2,845	0	0
Other interest payable - not finance liabilities	525	0	2,383	0

Profit before taxation	6,565	11,820	14,030	9,372
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5.2.2 The summaries above are drawn from Playbox Theatre's audited accounts.

5.3 Playbox Theatre 3-Year projected Income & Expenditure

	2017 (11 months)	2017 est 12 mths	2018	2019	2020
	£	£	£	£	£
Sales					
Fees and Sales	225,690	246,207	283,000	305,000	332,000
Deferred / miscell income	1,693	1,847	5,000	5,000	5,000
Other operating income	10,383	11,327	15,000	15,000	15,000
Room hire	2,484	2,710	3,000	3,000	4,000
	240,250	262,091	306,000	328,000	356,000
Other income					
Grants and Lottery transfers	11,309	11,309	15,000	20,000	20,000
Donations	6,985	6,985	16,000	18,000	18,000
	18,294	18,294	31,000	38,000	38,000
Gross Profit / (Loss):	258,544	280,385	337,000	366,000	394,000
Expenses (Costs of sales & admin)					
<i>Annual inflation est</i>			3%	3%	3%
Production Costs	10,568	11,528	11,874	12,230	12,597
Canteen / café	19,009	20,737	21,359	22,000	22,660
Teaching	46,007	50,190	51,695	53,246	54,844
Wages & Staff Costs	118,858	129,664	133,553	137,560	141,687
Course Fees	868	947	975	1,005	1,035
Technical Support	10,393	11,338	11,678	12,028	12,389
Printing & Postage	3	3	3	3	3
Stationery & Books	1,817	1,982	2,042	2,103	2,166
Light & Heat (5% annual inflation est)	14,626	15,955	16,753	17,591	18,470
Advertising	7,948	8,670	8,930	9,198	9,474
Rates	10,396	11,341	11,681	12,031	12,392
Tickets	47	51	52	54	56
Motor expenses, travel accomn	3,437	3,750	3,862	3,978	4,097
Insurance	708	772	795	819	844
Premises insurance	3,304	3,604	3,712	3,824	3,938
Repairs & renewals	15,692	17,119	17,632	18,161	18,706
Maintenance	2,043	2,228	2,295	2,364	2,435
Telephone	2,335	2,548	2,624	2,703	2,784
Accountancy and bookkeeping	1,408	1,535	1,582	1,629	1,678
Consultancy & prof fees	3,090	3,371	3,472	3,576	3,683
Cleaning	12,315	13,435	13,838	14,253	14,680
Sundry expenses	751	819	844	869	895
Bank charges	6,170	6,731	6,933	7,141	7,355
Subscription	505	551	567	584	602
Licences	222	242	249	257	265

	292,517	319,110	329,002	339,207	349,735
Net Profit / (Loss):	-33,973	-38,725	7,998	26,793	44,265

5.4 Sensitivity Check analysis

5.4.1 The business plan includes a sensitivity analysis at page 18. Whilst a plan can only ever be a forecast it may at least give further confidence to Members that it has been developed in a commercial manner.

5.5 Track record of repaying a loan and security

5.5.1 Members will note that Playbox has an outstanding loan (currently £30,000 remaining) with Lloyds which will be repaid by the end of 2020. There is no evidence to suggest that there have been any issues in repaying the loan and it is secured by legal charge over the business premises. Playbox's latest financial statements show that it has tangible assets of £1,395,295 (largely its premises) with total net assets of £1,235,805. Should Members agree to the loan, officers will ensure that appropriate security is put in place.

5.6 Credit Check

5.6.1 The credit check on Playbox has proven sound with the main points being:

- There is little reason to doubt that the company will prove equal to engagements.
- Risk Score 55 Out of 100 - The risk index allocated to PLAYBOX THEATRE LIMITED is based on an analysis of the findings recorded above. In the light of the information available, the company is considered to be relatively sound and, therefore, subject to average risk status.
- This company pays faster than the industry average.
- There is a consistent payment pattern.
- This company has 0 accounts placed for collection.
- This company has 0 outstanding unpaid accounts.
- This company pays within its terms.

5.7 As at 31 December 2016, the accounts of Playbox show it had current assets of £34k, and current liabilities of £112k. £78k net current liabilities represents a slight improvement on previous years, despite the reducing operating profit.

5.8 As the loan would not be for Treasury Management purposes and in accordance with the Council's Treasury Management Policy, the loan would be classified as capital expenditure and should be included within the Council's Capital Programme. From here, it will be necessary to finance the loan. For the sums involved, it is likely to be funded from the Capital Investment Reserve. However, the precise funding should be determined by the Head of Finance as part of reviewing the overall funding of the Capital Programme.

6. **RISKS**

6.1 **On the assumption that the loan is not made**

6.1.1 The business plan refers to the very viability of Playbox being at stake if it does not address the parking issue. Whilst the proposals in the business plan will not

provide a full solution they will go some way to mitigating the harm that has been caused by the decisions of Aylesford School.

6.2 **On the assumption that the loan is made**

- 6.2.1 The most significant risk is that the investment does not bring about the change in operating performance that Playbox wishes to see and has no way of repaying the loan. This is mitigated by the security the Council will achieve by way of a charge over the theatre building.
- 6.2.2 If the loan is defaulted upon, whilst security will be put in place, there is the potential for the Council to be involved in extensive discussions with Playbox, along with the political risks if it needs to take extreme measures to recover the debt.

7. **ALTERNATIVE OPTION(S) CONSIDERED -**

- 7.1 Playbox has attempted to raise the necessary finance through an investigation of grant funding opportunities but as can be seen at Appendix 2 this has not proven successful.

- 7.2 Reproduced from Playbox's Business Plan

- 7.2.1 **Option 2 - Apply for £100k loan from a bank to cover the costs of the new side access road and car park improvements for the Dream Factory.**

Playbox Theatre has made enquiries to Lloyds Bank regarding loan terms for the access road project. It appears that this option may not provide sufficient loan to cover the access road works – for example, Lloyds unsecured lending generally has a limit of £25K. There is some uncertainty about the Bank's requirement for the level of security Playbox would need to provide to secure a capital loan. In our experience, timing for a loan decision would also be an issue, given the urgent need for immediate action. In addition, this type of loan would not represent any validation from the Council that could be used as partnership evidence for future capital grant bids to Arts Council or other trusts and foundations.

- 7.2.2 **Option 3 – Source £100k from own funds and fund raising campaign e.g. crowd funding to cover the costs of the new side access road and car park improvements for the Dream Factory.**

This is not an option as Playbox does not have the capital reserve sufficient to fund the necessary works. The company does have a strong volunteer and supporter network and in particular The Friends of Playbox charity (see Appendix 9) does raise funds through its charitable activities, the funds must only be used to develop and benefit young people via Playbox activities and cannot be used to cover road infrastructure improvements. Also the time required to raise the necessary funds via membership and supporter campaigns would be too long and impact upon Playbox's viability.

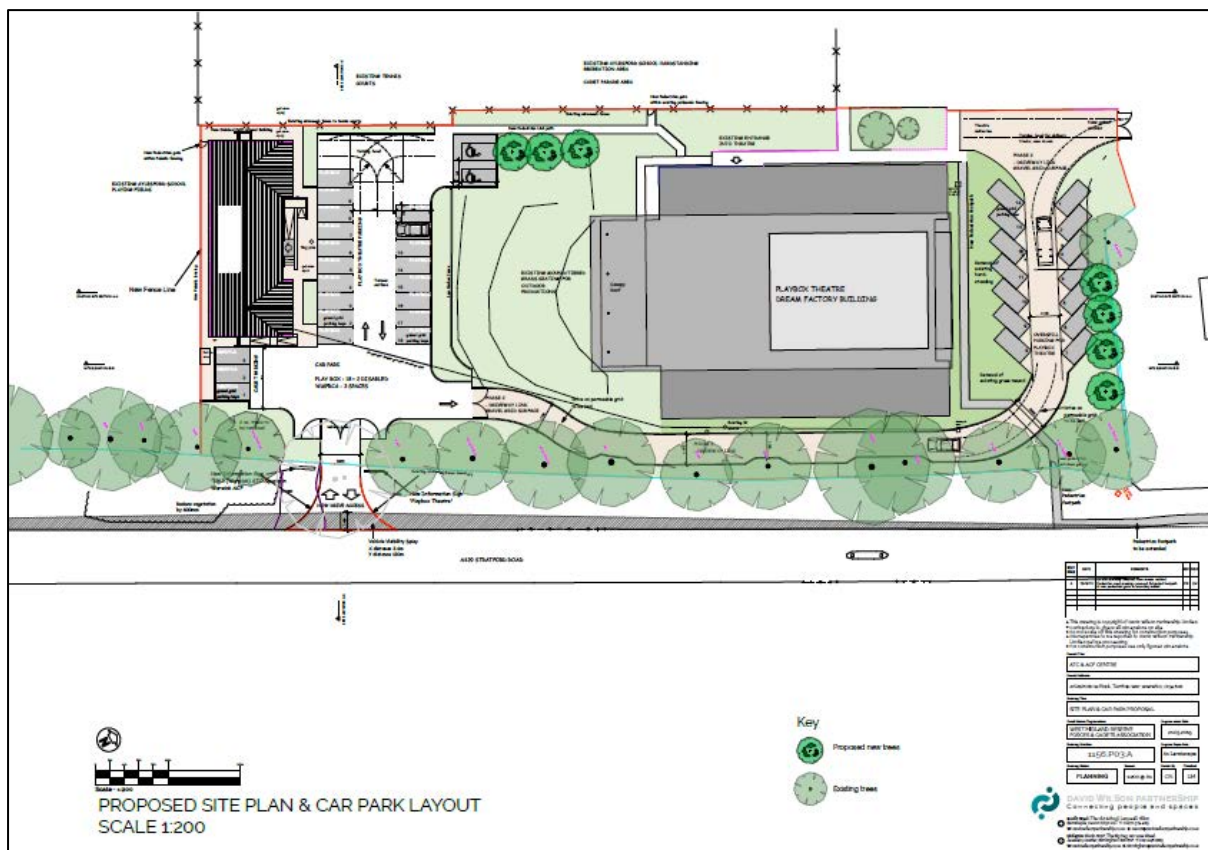
- 7.2.3 **Option 4 – Do nothing**

This is not an option – Playbox cannot continue to operate successfully without access to the rear car park and delivery area. The consequence of not attracting

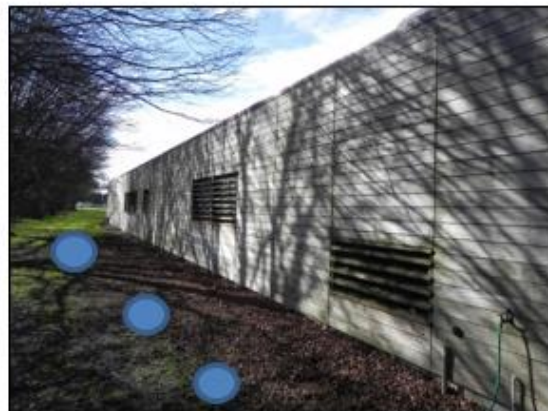
a loan would be devastating and would result in closure – and a loss of a major creative centre for Warwick.

Planned development – Playbox Theatre Phase 2 Access Road

The detailed site plan below (as submitted for Planning Approval) details the new Cadet Centre development as submitted and approved under WDC Planning Application W/15/0808. The access road (shown as blue dots below) leads off the new parking area to the right hand side of the Stratford Road entrance and around the south edge of the Dream Factory building, and around to and including the new rear car park layout and delivery bays (scenery etc).



The images below indicate the area of the access road and rear car park layout:



Review of funding options for Playbox Theatre / Dream Factory May 2017

Fund	Amount	Key features	Notes and deadline
Arts Council	Grants for the Arts £1000 - £100,000	<p>We will consider the following expenditure:</p> <ul style="list-style-type: none"> • refurbishing, modernising or improving existing arts buildings providing you have our written agreement beforehand • buying assets such as equipment, instruments and vehicles, including installing new technologies • professional fees associated with capital spending on your project • VAT that you cannot recover from HM Revenue and Customs • costs resulting from temporarily having to stop activities during the project • environmental sustainability costs including installing or retrofitting sustainable technologies • commissioning artists or craftspeople to contribute to the capital project • additional staffing for specific work during the capital project Please note you cannot apply for more than £15,000 towards Capital project without obtaining our permission to apply. 	<p>Provide 90% of funding</p> <p>Phone: 0845 300 6200, 0161 934 4317 Textphone: 0161 934 4428 Email: enquiries@artscouncil.org.uk Website: www.artscouncil.org.uk Post: Arts Council England - Grants for the Arts, The Hive, 49 Lever Street, Manchester, M1 1FN</p> <p>Phoned 9.5.2017</p> <p>SUITABLE</p> <p>You need our written agreement to apply if you are apply to Grants for the Arts for more than £15,000 towards</p> <ul style="list-style-type: none"> • building works for existing arts facilities (including fit-out and refurbishment) • improving access for existing arts facilities • buildings works for new arts facilities (including fit-out)
Arts Council	Catalyst Small Grants	<p>A new £3 million initiative to build fundraising capacity to enable arts and culture organisations to attract more private giving to the sector</p> <p>Capacity building, organisational development</p> <p>£10,000 - £30,000</p> <p>Perhaps good for CRM database development</p>	<p>Coming soon / opens 13/07/2017</p> <p>Deadline for applications is 10 August 2017.</p> <p>Phone: 0845 300 6200, 0161 934 4317 Textphone: 0161 934 4428 Email: enquiries@artscouncil.org.uk Website: www.artscouncil.org.uk Post: Arts Council England - Grants for the Arts, The Hive, 49 Lever Street, Manchester, M1 1FN</p>

Review of funding options for Playbox Theatre / Dream Factory May 2017


Arts Council	Capital investment	Large capital grants, stage one, round 5	Closed Nov 2016
Arts Council	Ambition for Excellence £100K – 750K	<ul style="list-style-type: none"> contribute to the development of strong cultural places grow and develop talent and leadership across England and across art forms give an international dimension to excellent work create the highest quality new work, including for outdoor and festival contexts <p>The fund will support the creation of work for major national moments that build on the legacy of the London 2012 Cultural Olympiad, enabling organisations to reach international and national audiences.</p>	<p>Deadline: Rolling program Closes 27 October 2017. Long lead time</p> <p>10% match funding in cash</p> <p>Rang 9.5.2017</p> <p>NOT SUITABLE FOR CAPITAL or TECHICAL UPGRADE PROJECTS – more festival development etc.</p>
Garfield Weston Foundation			NOT APPLICABLE : Supports charities
Foyles Foundation	Main Grants Scheme - Learning	<p>The Foundation will support projects which facilitate the acquisition of knowledge and learning and which have a long-term strategic impact. Key areas for support are:</p> <ul style="list-style-type: none"> libraries, museums and archives; special educational needs; projects that encourage sustainability by reducing overheads or which help generate additional revenue; projects and activities which increase access and widen the diversity of attenders/visitors. 	<p>020 7430 9119 mgs@foylefoundation.org.uk http://www.foylefoundation.org.uk/about-us/</p> <p>See previous large awards include theatres http://www.foylefoundation.org.uk/major-grants-archive/major-grants/</p> <p>Rolling program. Longer lead time to large projects over £75000 History of large projects</p> <p>NOT APPLICABLE: The Foundation can only accept applications from organisations with charitable status.</p>

Review of funding options for Playbox Theatre / Dream Factory May 2017

Visit Britain		Discover England fund	Part of larger consortiums, perhaps for another occasion when looking to promote arts activities to overseas visitors and perhaps linked with other providers etc.
Wolfson Foundation			£250K and above Applicant organisations must be charities or organisations with charitable status . - See more at: http://www.wolfson.org.uk/funding/arts-and-humanities/performing-arts/#sthash.C1Uki8xR.dpuf
Association of Independent Museums (AIM)		History Makers – people who shape our world.	https://www.aim-museums.co.uk/for-aim-members/grants/ Now running some of the Biffa awards scheme for cultural / theatres Contact Justin Stone. Sent email: justeen@aim-museums.co.uk NOT APPLICABLE 'this project does not fit with the current AIM Biffa Award Partnership of History Makers' referred us back to Rachel Maidment, Biffa Awards
BFI Film fund			Focus on individuals producing first films etc. Not suitable
WREN Landfill	Between £2k and £50k	FCC Community Action Fund Community projects that enhance the provision, maintenance or improvement of a public park or other public amenity in the vicinity of a landfill site.	http://www.wren.org.uk/schemes/main-grant-scheme 01953 717165 Not Suitable Do not fund carparks and they would consider the road link in the same category. Recent change to funding – they do not fund items related to theatres
Suez (formerly SITA Trust) Landfill	Primary Fund - £1k - £50k CTP 11.5%	Communities Programme Funding awards for not-for-profit organisations to improve leisure and recreation facilities for the benefit of the general public.	www.sitatrust.org.uk/apply-for-funding 01454 262910 Not eligible for landscaping etc.: Amenities used for education or training or specialist services are not eligible. Facilities which are defined by age are not eligible. Playbox focus is 3 – 23 yrs.

Review of funding options for Playbox Theatre / Dream Factory May 2017

Biffaward Landfill	Main Grant Scheme (MGS) £10,000 to £75,000.	<p>Biffa Award provides funding under the Recreation theme to projects that transform open spaces for the benefit of the community, providing them with more opportunities to become involved in recreational activity.</p> <p>Examples of projects that fall under this category are green spaces, woodland walks, play areas, sports facilities and community gardens.</p>	<p>www.biffaward.org/ 01636 670000</p> <p>As it is a theatre it would fit under 'cultural' sector which they are not funding any more'. Also landscaping/ signage and lighting is not something they would fund anyway under any other theme. Feb 2017</p> <p>Spoke to John Briggs 17.5.2017 who said AIM (Association Independent Museums) are running their cultural grant awards. We contacted Justeen Stone AIM Grants and Finance Officer T 01584 878151</p> <p>justeen@aim-museums.co.uk who has now referred us back to Biffa! She said 'this project does not fit with the current AIM Biffa Award Partnership of History Makers' referred us back to Rachel Maidment, Biffa Awards</p> <p>Tel: 01636 670051, Senior grants Officer – Biffa, Email: rmaidment@wildlifetrusts.org</p> <p>Email sent to Rachel May 2017</p> <p>NOT APPLICABLE: "Whilst this is a worthwhile project, Biffa Award is no longer funding cultural facilities projects therefore you wouldn't be able to apply for funding, I am afraid."</p>
Veolia Landfill	Up to £50k CTP 10%	Areas supported: Community buildings and rooms; Outdoor Spaces; Play and recreation; Supporting Biodiversity	<p>http://www.veoliatrust.org/funding/ 01902 794 677</p> <p>Do not fund projects with theatres or arts organisations.</p> <p>Playbox postcode no longer eligible</p>
Tarmac Landfill	£30-60k TPC 10%	Tarmac Landfill Communities Fund. Public Amenity providing, maintaining or improving a public park or other public amenity. This includes a wide range of projects such as children's play areas, village and community halls, tree planting, public footpaths, etc.	<p>Derbyshire Environmental Trust, County Hall Matlock DE4 3AG Tel 01629 539182 or 01629 538614 Email det@derbyshire.gov.uk Sent email to Sarah on above address 3.2.2017</p> <p>Outside the qualifying postcode area</p>

 Executive – 7th February 2018		Agenda Item No. <h1>16A</h1>
Title	Rural/Urban Capital Improvement Scheme (RUCIS) Application	
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 email: jon.dawson@warwickdc.gov.uk	
Wards of the District directly affected	Kenilworth, Lapworth	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	RUCIS Scheme details. RUCIS Application file no. 230 to 231; correspondence with applicants.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	22.1.18	Chris Elliott
Head of Service	22.1.18	Mike Snow
CMT	22.1.18	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	22.1.18	Mike Snow
Monitoring Officer	22.1.18	Andy Jones
Finance	22.1.18	Mike Snow
Portfolio Holder(s)	22.1.18	Cllr Mobbs (Cllr Whiting has an interest in one of the applications within the report)
Consultation & Community Engagement		
Community Partnership Team, Manoj Sonecha (Active Communities Officer), Stuart Winslow (Sports and Leisure Contract Manager) and Mair Evans (Arts Development Officer); Copy of report forwarded 11 th January and 12 th January 2018.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. Summary

1.1 This report provides details of two Rural/Urban Capital Improvement Scheme grant applications:

- Kenilworth Squash Club to improve and redevelop club facilities; redecorating, carpeting, replace broken doors, new boiler, LED lighting and glass-back to court 1.
- Lapworth Cricket Club to purchase a new mower and roller to replace the existing equipment that has reached the end of its life span.

2. Recommendation

2.1 It is recommended that the Executive approves:

Kenilworth Squash Club

A Rural/Urban Capital Improvement Grant from the urban cost centre budget for Kenilworth Squash Club of 50% of the total project costs to improve and redevelop club facilities, as detailed within paragraphs 1.1, 3.2 and 8.1, up to a maximum of £19,028 excluding vat, subject to receipt of the following:

- Written confirmation from Kenilworth Town Council to approve a capital grant of £400 (if the application is declined or a reduced amount is offered the budget shortfall will be covered by Kenilworth Squash Club's cash reserves which have been evidenced through their annual accounts and the provision of a recent bank statement).

As supported by appendix 1.

Lapworth Cricket Club

A Rural/Urban Capital Improvement Grant from the rural cost centre budget for Lapworth Cricket Club of 50% of the total project costs to purchase a new mower and roller, as detailed within paragraphs 1.1, 3.2 and 8.2, up to a maximum of £10,479 including vat.

As supported by appendix 2.

3. Reasons for the Recommendation

3.1 The Council operates a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grants recommended are in accordance with the Council's agreed scheme and will provide funding to help the projects progress.

3.2 All projects contribute to the Council's Fit for the Future Strategy:

Kenilworth Squash Club

This project contributes to the Council's Fit for the Future Strategy as without the squash club there would be fewer opportunities for the community to enjoy and participate in sport activities which could potentially result in an increase in anti-social behaviour, an increase in obesity and disengage and weaken the community. The project will deliver a new glass-back to squash court 1 which

will provide new opportunity for members of the community to enjoy watching sporting activity, it will also deliver energy efficiencies through new LED lighting and boiler/heating system which will help to reduce running costs and subsequently ensure that costs to the community either playing or watching sport are kept as low as possible.

Lapworth Cricket Club

This project contributes to the Council's Fit for the Future Strategy as without the cricket club there would be fewer opportunities for the community to enjoy and participate in sport activities which could potentially result in an increase in anti-social behaviour, an increase in obesity (particularly in children) and disengage and weaken the community. The club also helps to tackle disadvantage in a rural area as there are no bus services in the village and as a result the club offers the only sporting facilities to those members and families of the local community who do not have access to their own means of transportation. The nearest sporting facilities outside of Lapworth are at Hockley Heath where they play football on the recreation ground or travelling further afield to Claverdon to participate in Rugby. The nearest cricket clubs to Lapworth Cricket Club's Melson Memorial Park ground are Dorridge Cricket Club and Rowington Cricket Club, neither of these two venues have any public transportation links with Lapworth which is approx. 2 miles from each club both served by very busy roads with little or no pedestrian provision.

4. Policy Framework

4.1 Fit for the Future (FFF):

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands; People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal, if any, in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
All RUCIS applications are designed to encourage and support local communities and	Through the delivery of RUCIS grants the aim is to deliver cohesive and active communities which	N/A

local not-for-profit organisations in developing cohesive and active communities. The details behind this are set out in appendices 1 and 2.	in turn helps to support and maintain lower levels of crime and ASB. The details behind this are set out in appendices 1 and 2.	
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
N/A	N/A	N/A

4.2 Supporting Strategies; each strand of the FFF Strategy has several supporting strategies and but none are directly relevant in this case.

4.3 Changes to Existing Policies; there are no changes to existing policies.

4.4 Impact Assessments; there are no new or significant policy changes proposed in respect of Equalities.

5. Budgetary Framework

5.1 The budget for the Rural/Urban Capital Improvement Scheme applications for 2017/18 is £126,305 (£63,152.50 for rural projects and £63,152.50 for urban projects).

5.2 The annual budget is normally £150,000; it should be noted that a £60,000 saving was offered in 2016/17 based on best knowledge at that time, however, due to last minute applications at year end it meant that there was a shortfall of £23,700 which has subsequently reduced the 2017/18 budget.

5.3 There is £58,684.50 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the urban cost centre budget in 2017/18. If the application from Kenilworth Squash Club of 50% of the total project costs up to a maximum of £19,028 (excluding vat) is approved, £39,656.50 will remain in the urban cost centre budget.

5.4 There is currently a deficit of -£6,169.50 in the rural cost centre budget in 2017/18. If the application from Lapworth Cricket Club of 50% of the total project costs up to a maximum of £10,479 (including vat) is approved, the deficit in the rural cost centre budget will be -£16,648.

- 5.5 However, the rural cost centre deficit is covered by the urban cost centre budget, if the two applications within this report are approved the overall remaining 2017/18 budget is £23,423 (this includes a £415 underspend from a project completed earlier this year).

As per appendix 3.

6. Risks

- 6.1 There are no main risks for this proposal.

7. Alternative Option(s) considered

- 7.1 The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.
- 7.2 Members may choose not to approve the grant funding, or to vary the amount awarded.

8. Background

8.1 Kenilworth Squash Club:

Kenilworth Squash Club has submitted a RUCIS application to improve and redevelop the club facilities, this includes the following work:

- Redecoration; replastering, painting, new suspended ceiling and lighting, moving a staircase to a more appropriate location and tidying-up electrics
- Re-carpeting throughout
- Install ambi-rads on two squash courts
- Install a new boiler system
- Install LED lighting on 3 courts
- Fit a glass-back to court 1
- Replace broken doors on 2 courts

The application is for 50% of the total project costs up to a maximum of £19,028.

Kenilworth Squash Club have committed £18,628 to the project costs from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Kenilworth Squash Club is a section of Kenilworth Tennis, Squash and Croquet Club which is vat registered (vat number; 272739533) and will be able to reclaim some of the vat in connection to this project; the award will therefore be excluding vat. The club are therefore also committing £7,611 from their cash reserves to the project to pay vat costs; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Kenilworth Squash Club have applied to Kenilworth Town Council for a £400 contribution to the project and are now waiting for a decision; if the Town Council decline the application or offer a reduced amount, Kenilworth Squash Club will cover the budget shortfall from their cash reserves, these funds have

been evidenced through their annual accounts and the provision of recent bank statements.

With regards to multi-sports organisations, the RUCIS scheme criteria states:

"Multi-sport organisations that are legally one entity but with separate sports activities that are operated and managed independently on a day-to-day basis with separate memberships, committees, volunteers, constitutions and bank accounts;

- Each individual sport organisation can apply for a grant in their own right for a project that is connected to their sport / facilities only. Grants will only be awarded once in a 2 year period.
- If the project is for a shared facility, for example, a clubhouse used by each organisation; providing one of the individual sports organisations has not had a grant within the last 2 years and are prepared to be the applicant, a grant may be awarded. Grants will only be awarded once in a 2 year period."

Kenilworth Squash Club are applying for a grant to improve and redevelop the facilities that are for the sole use of their sport section/organisation and they have never previously had a RUCIS grant award; the application therefore meets the scheme criteria noted above.

It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Kenilworth Squash Club of 50% of the total cost of the project excluding vat subject to a maximum of £19,028.

8.2 **Lapworth Cricket Club:**

Lapworth Cricket Club has submitted a RUCIS application to purchase a new mower and a roller to replace the existing equipment that has reached the end of its life span.

The application is for 50% of the total project costs up to a maximum of £10,479 including vat.

Lapworth Cricket Club have committed £9,979 to the project from their cash reserves; these funds have been evidenced through their annual accounts and the provision of a recent bank statement.

Lapworth Cricket Club isn't registered for vat and therefore will not be reclaiming vat in connection to this project; the award will therefore be inclusive of vat.

Lapworth Parish Council have agreed to contribute £250 to the project; Lapworth Cricket Club were initially hopeful of a £500 award therefore in the RUCIS application funding plan there is now a £250 shortfall, however, this will be covered from the club's cash reserves, these funds have been evidenced through their annual accounts and the provision of recent bank statements.

Lapworth Cricket Club have previously had a successful RUCIS grant:

- February 2016 - 50% grant awarded which equated to £11,218 to build a new patio area and walkway and provide power to the equipment shed and score box

The application therefore meets the scheme criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Lapworth Cricket Club of 50% of the total project costs including vat up to a maximum of £10,479.

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 7TH FEBRUARY 2018 EXECUTIVE :

Applicant : Kenilworth Squash Club

Description of scheme: The squash section of Kenilworth Tennis, Squash & Croquet Club was built and decorated in the 1980's, the facilities and decoration at the core of the club have remained largely untouched since then and as a result are no longer fit for purpose; the heater/boiler system for the courts is starting to fail and is largely inefficient, there are various wires that seemingly lead to nowhere attached to the wall (remnants of various upgrades throughout the years), the décor is dark, tired and uninviting. Long standing members don't tend to notice these items/issues any more; the club's membership currently remains stable due to the significant amount of work they put into the local community and the welcoming atmosphere, however, if the afore mentioned issues are not addressed, this could potentially lead to a decrease in membership and participation with people favouring other sports and/or clubs. To address these issues, the proposed works include:

- Redecorate the top level throughout – includes replastering/painting/decorating, suspended ceiling, new lighting, tidying electrics, removal of "bleachers" that are no longer used, move staircase to more appropriate location
- Re-carpet throughout
- Install ambi-rads on two squash courts and remove the failing boiler
- Replace squash lighting on three courts with LED lighting
- Fit a glass-back to squash court 1
- Glass doors on two courts to replace broken doors

Evidence of need: The need for the project has been established through consultation with the club membership through questionnaires, surveys and focus groups; this identified a number of places for improvement throughout the club and developed a full club-wide plan. The works presented in this application will address a number of the key issues identified for the squash club. The need is also visually obvious with the dark, tired and uninviting décor and there are various wires that seemingly lead to nowhere attached to the wall, remnants of various upgrades throughout the years. The glass-back on court 1 has been a consistent request from members as other local clubs (e.g. Leamington, Fitness First, Hinckley) have similar facilities; this will provide additional viewing for coaching, tournaments and Premier Squash League matches. The boiler replacement programme, the replacement of two glass doors and lighting are maintenance issues; the boiler is an urgent requirement, the existing doors are broken and the LED lighting will help drive down costs of running the squash section.

3 years accounts received? Kenilworth Tennis, Squash & Croquet Club Ltd 2014 to 2016 accounts have been received along with bank statements covering the period 9th August to 8th November 2017. The squash section now also have their own bank account, a statement has been received covering the period 1st October to 29th December 2017 (there has only been two transactions and has a small balance of £1,050)

Financial Performance; minus figure = deficit	Year ended 30/09/16	Year ended 30/09/15	Year ended 30/09/14
	£37,265	£36,940	£30,434

Available Funds (cash and reserves)	Year ended 30/09/16	Year ended 30/09/15	Year ended 30/09/14
	£91,958	£83,465	£56,890

Details of membership, fees etc: It is a member's based club; people can join the squash section either as a squash member or have a combined membership with the tennis club also based at KTSCC.
Squash Annual Fee: Single £260, Off-peak £169, Single 18-24 £169, Student £65, Junior <13 £42, Family £546. Combined Squash & Tennis Annual Fee: Single £343, Off-peak £223, Single 18-24 £223, Student £86, Junior <13 £55, Family £719.

Details of usage: The club has six squash courts that are used by members and local community groups/schools; during peak times (5.30pm-9.00pm weekdays) frequently all courts are in use. The squash section currently has 356 members of which 98 are juniors. The courts are used for both squash and racketball. Aside from members organising games among themselves there are: 30 internal leagues (150 players), beginner's courses are run three times a year to encourage new members to join and learn a new sport (12-30 attendees over the year; approximately 60% retention rate that become new members), adult gradings are run once a year (4 grades and 16 players in each grade – 64 participants), junior tournaments that are open to anyone to participate in (the major junior tournament has 8 grades where each grade can take up to 16 players) and the club also run a Warwickshire Junior tournament (8 grades which is typically around 50 participants). The local area is a hotbed for graduates where this age range is often a drop off in sports participation, with a successful grant from CSW last year the club ran the "JLR Squash Girls Can" campaign aimed at increasing participation in 18-24yr old women which was attended by 24 employees; the club intend to extend this model to other major firms within the Warwickshire region such as National Grid and Tata. The club has a newly formed "Premier Squash League" team, the professional players engage with juniors on squash courts and adult players in the bar; there are 5 home matches from October through to March. The club is open to anyone to come and watch, either a reasonably priced ticket or for free in the bar; the club can hold 120 spectators around the courts (which have sold out on the last two home matches) and around 30-50 people in the bar.

The junior section is thriving with over 75 children attending group sessions over each weekend which are also open to non-members too, using events such as "bring a friend" to further boost numbers. The club run a programme with two local schools, St Nicholas and St Augustines; St Nicholas is a long-standing relationship where 350 pupils experience squash over a year, St Augustines is a relatively new relationship, where in this academic year the club plan to run sessions for a total of 40 students. There is also a direct affiliation with Kenilworth School, providing courts free of charge for all of their home matches. The club recently won an award from England Squash to create a primary schools session, this means that all primary schools in Kenilworth will be able to attend two sessions for free; this will surpass another 200 children.

Details of Organisations equalities policies:	<p>The club has a formal equality policy, the following are highlights from this policy:</p> <p>b) Our commitment is to eliminate discrimination by reason of gender, sexual orientation, race, nationality, ethnic origin, religion or belief, ability or disability and to encourage equal opportunities.</p> <p>d) KLTSC, in all its activities, will not discriminate or in any way treat anyone less favourably, on grounds of gender, sexual orientation, race, nationality, ethnic origin, religion or belief, ability or disability. The KLTSC will ensure that it treats its employees, members, non-members and visiting clubs and teams fairly and with respect and will ensure that all members of the community have access to and have opportunities to take part in, and enjoy, its programmes of activities, competitions and events.</p> <p>e) KLTSC will not tolerate harassment, bullying, abuse or victimization of an individual (which the KLTSC regards as forms of discrimination). This includes sexual or racially based harassment or other discriminatory behaviour, whether physical or verbal. KLTSC will work to ensure that such behaviour is met with appropriate action in whatever context it occurs.</p> <p>h) KLTSC is committed to a policy of equal treatment of all members and employees and requires all members and employees to abide by and adhere to these policies and the requirements of the relevant equalities legislation, including the Race Relations Act 1976, Sex Discrimination Act 1975, Disability Discrimination Act 1995, Age Discrimination Act 2006 as well as any amendments to these acts and any new legislation.</p>	
3 quotes provided:	Yes, 3 written quotes have been provided for all aspects of the work (18 quotes in total)	
Which of the Council's Corporate Priorities are met?	Evidence	
Reduce anti-social behaviour	<p>Currently the squash club has 356 members of which 98 are juniors. The courts are used for both squash and racket ball; there are internal leagues, junior and adult group sessions, internal and external tournaments and world class squash to spectate. Anti-social behaviour typically arises due to a lack of activities to participate in; completing the project works will create a squash club that people actively want to go to and play, keeping from any other activities, additionally the project will increase spectator viewing capacity for matches. Also sport is not only key to physical fitness, but mental well-being too. An improved mental state will similar lead to a reduction in these behaviours. This all helps to reduce anti-social behaviour.</p>	
Reducing obesity, particularly in children	<p>Currently the squash club has 356 members of which 98 are juniors. The courts are used for both squash and racket ball; there are internal leagues, junior group sessions, grading's and tournaments. As a sports club it's inevitable that the project will contribute to reducing obesity; if the club convince more people to play, they will be fitter, stronger and lose weight. The full potential of this can only be achieved with modern looking facilities in an environment that people want to play in; the project will deliver this. The club already reach 390 school children and could potentially see another 200 from primary schools over the coming year; if the children enjoy the sport, they will potentially try to convince their parents to sign them up to the club. If the works are not carried out and the club continues to look run-down the parents response could be a no. Also when children engage in sport, their parents often do too. This all helps to reduce obesity, particularly in children.</p>	
Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities	<p>To create new opportunities for engagement with squash, the club need help to create an increased demand via a new, fresh look to the club facilities which will help to spark interest with local groups; this includes local graduate-hiring firms (e.g. National grid), schools (expanding the primary school network), and other local businesses. The project will deliver a glass-back to court 1 which will provide an additional viewing area and increase opportunity for people to enjoy watching sport, in particular for the Premier Squash League matches.</p>	
Engaging and strengthening communities	<p>The squash club is an integral part of the Kenilworth community, strengthening ties through healthy competition and creating the social atmosphere for it to thrive and develop new relationships. To maintain this, the club need to improve their current facilities to make it a place where even more people actively choose to socialise. Increasing the viewing area of court 1 with a glass-back will enable greater engagement and community spirit, allowing more people to come and support their teams. The club is also run by a wide range of volunteers from across the community, runs a programme for two local schools and has a direct affiliation with Kenilworth School; this all helps to engage and strengthen the community.</p>	
Targetting disadvantage in rural / urban areas:	<p>Participation in sport should have no barrier due to social class, financially or any other reason; the club's outreach programme with schools is particularly extensive which they hope to continue to increase, this is run free of charge for the children so there is no expectation of pay-to-play.</p>	
Total cost of scheme (excluding VAT)	38,056	VAT will be paid by the club part of which will then be reclaimed from HMRC
Funded by:	Status	
Organisations Own Funds	£18,628	
Kenilworth Town Council	£400	Requested; waiting for a decision
Total RUCIS	£19,028	
equates to	50.0%	

RURAL/URBAN CAPITAL IMPROVEMENT GRANTS APPLICATION FOR 7TH FEBRUARY 2018 EXECUTIVE :

Applicant : Lapworth Cricket Club

Description of scheme: The current cricket square mower and roller are both at the end of their life span and need replacing; the new mower will have a minimum 20 year life span and the new roller will likely have a 30+ year life span. The mower is one of the most important pieces of equipment as the cricket square is cut at least once a week from April to September to prepare the wicket and keep it in peak condition; the club play in excess of 50 home matches a season. The new mower will also incorporate a scarifier and verti-cutter which are jobs currently undertaken on a weekly basis by hand. The roller is also an essential piece of equipment to prepare a first class cricket wicket as demanded by the management of the Cotswold Hills League for all clubs playing in the premier division.

Evidence of need: The need is visually obvious as both the existing mower and roller are very old and although still operating the club have to spend large sums of money each year to keep the equipment running, this is no longer sustainable. The money that would normally be spent each year on repairs will be ploughed back into the club by way of introducing more training facilities and the purchase of equipment for the growing junior section and the new women's section.

3 years accounts received? 2014 - 2016 accounts have been received, along with a recent bank statements covering the period 1st September to 1st December 2017; this evidences sufficient cash reserves to meet the contribution stated on the application form.

Financial Performance; minus figure = deficit	Year ended 31/10/16 £6,131	Year ended 31/10/15 £3,508	Year ended 31/10/14 £4,495
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Available Funds (cash and reserves)	Year ended 31/10/16 £12,085	Year ended 31/10/15 £16,496	Year ended 31/10/14 £12,133
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Details of membership, fees etc: The club has the following classes of membership: Full Member – playing £70pa, Full Member – non-playing £35pa, Students – (u21) £35pa and Junior Member – (u18) £25pa. Players pay a match fee of £7 per game to cover teas and other costs, Juniors pay £3 per game.

Details of usage: Lapworth Cricket Club is the only sports club in the village with over 60 playing members:

REGULAR USE

- * Saturday 1st XI playing in the Cotswold Hills League Premier Division; every week between May and September, 12-14 players involved each week
 - * Saturday 2nd XI playing in the Cotswold Hills League Division 6; every week between May and September, 12-14 players involved each week
 - * Sunday XI playing friendly fixtures against local clubs; every week between April and September, 12-14 players involved each week
 - * Mid-week XI playing in the Shirley Mid-Week League; every week between May and August, 12-13 players involved each week
 - * Club practice night every Tuesday evening between April and September, 18 - 25 players involved each week
 - * Junior section (5 to 8 years old) meets every Friday between May to September, 15-20 children involved each week
- Each of the teams noted above has players from within the local community of all ages ranging from 16 to 60 years old.

AD-HOC USE

- * When the ground isn't being used by the club's teams on Sunday's and mid-week, it is hired out to other local teams, approx 12 times per season
- * Members social events are held such as quiz nights, curry nights, BBQ's; approx. 5 events per year (approx. 30 people attending)
- * Lapworth Guides; approx 2 activities per year, approx 20 people
- * Annual fun day which includes a number of Lapworth groups and organisations in the planning and running of the day such as WI, Lapworth Players, History Group, Brownies & Guides, Lees Chapel etc. The event attracts in excess of 750 adults & children.
- * The clubhouse is also hired by individual members of the community for events such as birthdays, anniversaries and christenings; there are approx 3 to 4 events per year with approx 50 to 100 people attending each event

Details of Organisations equalities policies: Lapworth Cricket Club's Constitution rule 5.1 states: Membership of the Club shall be open to anyone interested in the sport on application regardless of sex, age, disability, ethnicity, nationality, sexual orientation religion or other beliefs. A copy of the constitution has been provided.

3 quotes provided: Yes - three quotes have been received for each aspect of the project (6 quotes in total)

Which of the Council's Corporate Priorities are met?

Evidence

Reduce anti-social behaviour

Although the project doesn't directly impact on this, without the club there would be no sports activities within the village which would potentially increase anti-social behaviour. Currently the club has.....

- Three senior teams who play regular competitive matches
- A thriving junior section that meets weekly throughout the season
- Ad-hoc usage by Lapworth Guides and Brownies

The clubhouse is also hired for ad-hoc events and members hold several social events each year. The club are keen to increase membership and are now actively targeting local youth with a club objective of running a 3rd Saturday XI within the next three years. It is envisaged that this team will be primarily made up of young players in the 14 – 17 age bracket; it is anticipated that an increase in membership in particular the local youth will give them a purpose in life. This all helps to potentially reduce anti-social behaviour.

Reducing obesity, particularly in children

Although the project doesn't directly impact on this, without the club there would be no sports activities within the village which would potentially increase obesity. Currently the club has.....

- Three senior teams who play regular competitive matches
- Plans to further develop and grow the junior section with its own practice nights and ultimately junior teams of various age groups
- Plans to develop a women's soft ball section

With the assistance of their four qualified ECB coaches a programme of training activities encourage young people to live a more active life. This all helps to potentially reduce obesity, including within children.

Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities

The project will help to increase opportunities for the community to enjoy sports cultural activities, for example:

- The plan to develop the junior section will include playing matches against local teams
- The plan to develop a women's soft ball section will include playing tournaments

Both of the above will lead to increased usage of the cricket square that requires the new equipment to keep it in peak condition.

Engaging and strengthening communities

The club has links with the following organisations/groups; WI, Elderberries, History Group, Brownies, Girl Guides, Lapworth Players, Scarecrow Festival and PTA. A pleasant well maintained facility will continue to ensure that the club can achieve their objective of being the focal point of the community. The club is also managed and run by a wide range of volunteers from the local community and the activities that are available also bring together a wide range of people from the community, for example; competitive cricket teams, social events, Guides and Brownies, Fun Day. This all helps to engage and strengthen the community.

Targetting disadvantage in rural / urban areas:

The club offer a reduced membership fee for students (U21's) as well as cheaper rates for juniors. There are no bus services in the village, as a result the club offers sporting facilities to those members and families of the local community who do not have access to their own means of transportation.

- The nearest sporting facilities outside of Lapworth are at Hockley Heath where they play football on the recreation ground and you have to travel much further a field to Claverdon if you want to participate in Rugby.
- The nearest cricket clubs to Lapworth Cricket Club's Melson Memorial Park ground are Dorridge CC and Rowington CC. Neither of these two venues have any public transportation links with Lapworth which is approx. 2 miles from each club both served by very busy roads with little or no pedestrian provision. Neither of these two venues have any public transport links with Lapworth which is approx 2 miles away from each club, both served by very busy roads with little or no pedestrian provision.

Total cost of scheme (including VAT where appropriate)

£20,958

Including VAT

Funded by:

Status

Lapworth Parish Council

£250

Approved

Own Funds

£10,229

Approved

Total RUCIS


£10,479

equates to

50.0%

Summary of Financial Impact of Approving Scheme

Scheme Description	RURAL	URBAN	UNDERSPENDS	TOTAL
<u>Original 2017/18 Budget</u>	£63,152.50	£63,152.50	£0	£126,305
<u>26th July 2017 Executive</u>				
Leamington RFC	-£21,525			-£21,525
<u>1st November 2017 Executive</u>				
Shrewley Village Hall	-£2,947			-£2,947
Hunningham Cricket Club	-£14,850			-£14,850
No More Floor (Just4Children)		-£4,468		-£4,468
Wren Hall	-£30,000			-£30,000
Remaining Budget Sub-Total	-£6,169.50	£58,684.50	£0	£52,515
<u>7th February 2018 Executive</u>				
Kenilworth Squash Club (proposed)		-£19,028		-£19,028
Lapworth Cricket Club (proposed)	-£10,479			-£10,479
<u>Projects Closed - Underspend and Withdrawn 2017/18</u>				
Budbrooke Community Association - underspend			£415	£415
Total Remaining 2017/18 Budget	-£16,648.50	£39,656.50	£415	£23,423

 EXECUTIVE 7 FEBRUARY 2018		Agenda Item No. 16B
Title	Significant Business Risk Register	
For further information about this report please contact	Richard Barr Audit & Risk Manager Tel: 01926 456815 email: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	1 November 2017 – Executive	
Background Papers	Minutes of Senior Management Team	
Contrary to the policy framework:	No	
Contrary to the budgetary framework:	No	
Key Decision?	No	
Included within the Forward Plan? (If yes include reference number)	No	
Equality Impact Assessment Undertaken	No (N/A: no direct service implications)	

Officer/Councillor Approval		
With regard to report approval all reports <u>must</u> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive	Various dates	Chris Elliott
Head of Service	Various dates	Mike Snow
CMT	3 Jan 2018	CMT
Section 151 Officer	Various dates	Mike Snow
Monitoring Officer	Various dates	Andrew Jones
Finance	Various dates	As S151 Officer
Portfolio Holder(s)	22 Jan 2018	Councillor Andrew Mobbs and Councillor Peter Whiting
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below) N/A		

1 **Summary**

- 1.1 This report sets out the latest version of the Council's Significant Business Risk Register for review by the Executive. It has been drafted following a review by the Council's Senior Management Team and the Leader of the Council.

2 **Recommendations**

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken to manage the risks facing the organisation.
- 2.2 That Executive notes the emerging potential and changing risks identified in section 10 of this report.

3 **Reason for the Recommendations**

- 3.1 This report seeks to assist members fulfil their role in overseeing the organisation's risk management framework. In its management paper, "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers with regard to risk management:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people

throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

4 Policy Framework

4.1 Fit for the Future (FFF)

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels.
Impacts of Proposal		
<p>The Significant Business Risk Register is based on the Council’s corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of risk in an organisation; risk issues needs to be discussed and debated and mitigation put in place, in order to prevent them materialising. It does not mean, however, that all risks recorded are immediately impending or are likely to happen. Paradoxically, to not debate risks is to help them more likely to materialise.</p> <p>It is worth members re-apprising themselves of the basis on which risks are scored in relation to likelihood and impact – see Appendix 3. The probability of a risk being realised, and how many times it might happen, is assessed over a number of years, not as if it is going to happen tomorrow.</p>		

Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money.
Impacts of Proposal		
Although there are no direct policy implications, risk management is an essential part of corporate governance and will be a major factor in helping to achieve the above outcomes.		

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.3 **Changes to Existing Policies**

This section is not applicable.

4.4 **Impact Assessments**

This section is not applicable.

5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6 **Risks**

- 6.1 The whole report is about risks and the risk environment. Clearly there are governance-related risks associated with a weak risk management process.

7 Alternative Options Considered

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 Background

- 8.1 The Significant Business Risk Register (SBRR) records all significant risks to the Council's operations, key priorities, and major projects. Individual services also have their own service risk registers.
- 8.2 The SBRR is reviewed quarterly by the Council's Senior Management Team and the Council Leader and then, in keeping with members' overall responsibilities for managing risk, by the Executive. The latest version of the SBRR is set out as Appendix 1 to this report.
- 8.3 A summary of all the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 8.4 The scoring criteria for the risk register are judgemental and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 3 sets out the guidelines that are applied to assessing risk.
- 8.5 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour (e.g. on-line), the former set of risks would be within the area shaded red, whilst the latter would be within the area shaded green; the mid-range would be seen as yellow.

9 Recent Movements in Risk

- 9.1 Any movements in the risk scores over the last six months are shown on the risk matrices in Appendix 1 and explained below.
- 9.2 Last quarter, Risk 2 was removed from the red zone for the following reasons.

The objectives of the Corporate Workforce Steering Group (CWSG) relating to the 'Review of Salaries, Benefits and Recruitment' have now been progressed such that 'Likelihood' of the identified risk materialising can be reduced from level 3 to level 2. The Remuneration Review found that there were no overall problems with recruitment and retention but recognised that there were 'hard-to-recruit' areas which needed to be addressed case-by-case by, where appropriate, utilising the Market Forces Supplement Scheme. Other developments include a comprehensive branding initiative and increased channels of advertising. In addition, the current Living Wage Foundation rate of pay will be increased in line with national pay awards until it is exceeded by the National Living Wage at which point the National Living Wage will apply. Finally, subject to funding, a Corporate Apprentice Programme has been agreed to be developed with the first cohort planned for September 2018. These matters were reported to the CWSG and People Strategy Steering Group/Employment Committee in September 2017.

- 9.3 Recently, in order to reflect the current IT risk environment, a risk entitled 'Risk of failure to protect information assets from a malicious cyber-attack' was added. This was originally placed in the red zone but was taken out of the red zone last quarter because it was considered that the Likelihood score had been over-estimated. The likelihood of the risk materialising is still considered high (as was suggested by assessing it originally at level 5) but is no longer considered certain.
- 9.4 The only risk movement on the SBRR this quarter is Risk 13: "Risk of major contractor going into administration or deciding to withdraw from the contract." The Likelihood score has increased by one level as a result of the golf contractor withdrawing from the golf contract and no longer providing facilities at Newbold Comyn Golf Course. That the risk has materialised indicates that a higher Likelihood score is appropriate. Logging the risk movement in this way helps to highlight the situation and ensure that it is given due attention.

10 **Emerging Risks**

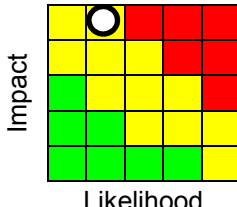
- 10.1 As part of the process of assessing the significant business risks for the Council, some issues have been identified which at this stage do not necessarily represent a significant risk, or even a risk at all, but as more detail emerges may become one.

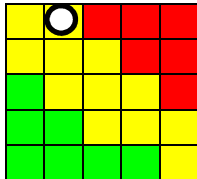
The impact of national housing policy proposals on the Council's ability to remain a viable landlord. The possibility of the imposition of a High Value Voids on HRAs remains but the Government has given a commitment not to implement anything now until at least April 2019. This issue will be reviewed when the Government is clear about its proposals.

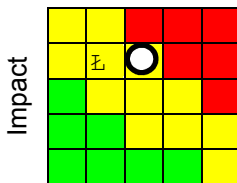
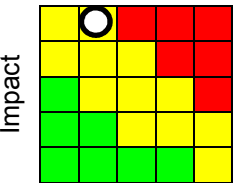
The EU referendum result, already recognised as a potential trigger to some of the Council's existing risks, will be kept under review so that as details emerge of exactly what Brexit may mean – generally for Local Government and specifically for this Council – its implications for the Council's risk environment can be considered further.

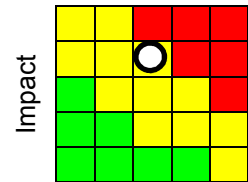
The Government has started consultations around the proposed 100% Business Rate Retention by Local Government. Depending on how these proposals develop, which may impact upon funding as well as functions, it may be that they represent a threat or an opportunity to this Council, or perhaps a combination of both.

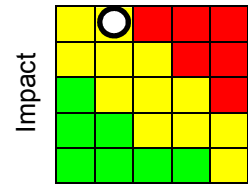
Significant Business Risk Register

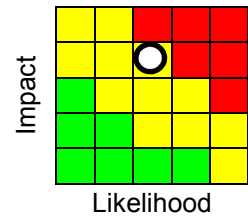
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks				
1. Fit for the Future Change Programme not managed appropriately/effectively.	Poor organisational communication. Conflicting priorities and priorities increasing in number. Unable to dedicate appropriate resources due to the impact on existing services. Poor management. Ineffective use of project management or systems thinking. Lack of funding.	Reduced service levels. Non or reduced achievement of objectives. Adverse financial impacts. Reputational damage. Demoralised and de- motivated staff.	Project prioritisation. (SMT) SMT are Programme Board. (SMT) Fit for the Future change programme and associated governance arrangements. (SMT) Budget monitoring process. (HoF) Clear communications, staff focus group. (SMT) People Strategy Action plan. (SMT) Strong leadership to ensure priorities are managed to a deliverable level. (SMT) Securing additional resources to support existing service provision. (CMT) Projects drawn up within RIBA framework. (SMT)	 <p>Impact</p> <p>Likelihood</p>

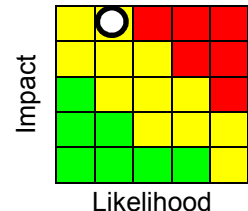
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks (Cont.)				
2. Risk of sustained service quality reduction.	<p>Shortage of staff resources and staff skills and knowledge.</p> <p>Staff skills and resources diverted to service redesign proposals as part of delivering Fit For the Future and other emerging corporate priorities.</p> <p>Cannot afford cost of maintaining service quality.</p> <p>Partners such as WCC make service cuts.</p> <p>Pandemic.</p> <p>Contractor failure.</p> <p>Unplanned termination of contract by contractor.</p> <p>Housing numbers not achieved.</p>	<p>Poor customer service and reductions in income.</p> <p>Lack of direction with critical projects and services being compromised.</p> <p>Public lose confidence in Council's ability to deliver.</p> <p>Demoralised and demotivated staff.</p> <p>Additional costs attached to re-procuring contract, including legal fees.</p> <p>Loss of New Homes Bonus.</p>	<p>Effective Management of Change Programme. (CMT)</p> <p>Agreeing additional resources where service quality is reduced. (CMT)</p> <p>Strong leadership to manage priorities to a deliverable level. (SMT)</p> <p>Effective vacancy control. (SMT)</p> <p>Service Reviews. (SMT)</p> <p>Workforce Planning. (SMT)</p> <p>Launch of employee branding and recruitment package (July 2017) developed by Workforce Steering Group. (HR Manager)</p> <p>Effective contract management supported by appropriate legal support. (SMT)</p> <p>Enhanced Performance Management System (HoNS)</p> <p>Corporate Workforce Steering Group project ongoing completed in respect of salary review, and impact of National Living Wage, Apprentices. (HR Manager)</p> <p>Corporate Workforce Steering Group project ongoing in respect of Apprenticeships. (HR Manager)</p> <p>Implement actions necessary from the new National Agreement regarding salaries. (HR Manager)</p>	<div style="text-align: center;">  <p>Impact</p> <p>Likelihood</p> </div> <p>The objectives of the Workforce Steering Group relating to the 'Review of Salaries, Benefits and Recruitment' have now been progressed such that 'Likelihood' can be reduced from level 3 to level 2. (See covering report for further details.)</p>

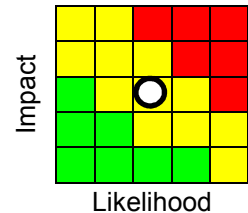
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Performance Management Risks (Cont.)				
3. Risk of major contractor going into administration or deciding to withdraw from the contract.	Poor procurement of contractor. Poor contract management. Poor management of company. External factors. State of economy (including Brexit factors). Introduction of Living Wage.	Reduced service levels. Non or reduced achievement of objectives. Adverse financial impacts. Reputational damage.	Properly procured contracts. (SMT) Active contract management supported by appropriate legal support. (SMT) Business Continuity Plan. (SMT) Soft market testing as appropriate. (SAMS)	 <p>Impact</p> <p>Likelihood</p> <p>Events regarding Golf Contract suggest Likelihood score should be higher.</p>
Corporate Governance Risks				
4. Risk of corporate governance arrangements not maintained effectively.	Ineffective political and senior management leadership. Complacent attitudes. Delays in making, or failure to make, key decisions by Council Members. Breakdown of member-officer relationships. Election of new members.	Breakdown in internal controls leading to: non-achievement of objectives; high volumes of staff, customer, and contractor fraud; and loss of reputation.	Council's constitution. (DCE(AJ)) Council's strategies and policies, including Code of Financial Practice and Code of Procurement Practice. (SMT) Strong scrutiny arrangements. (SMT) Effective internal audit function. (HoF) Annual Governance Statement. (DCE(AJ)) Codes of Conduct. (Members) Effective Political Group discipline. (Group Leaders) Councillor training (CMT) New Member/Officer Protocol introduced. (DCE(AJ)) Review revised Code of Corporate Governance. (DCE(AJ))	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Human Resources Risks				
5. Risk of staff not developed effectively.	Ineffective workforce strategies. Not managing staffing resources efficiently and effectively. Possible insufficient training budget.	Disruption to Council services – staff cannot undertake level or volume of work to meet all priorities. Poor customer service. 'Industrial' action.	Link to People Strategy. (SMT) Subset of-Workforce Steering Group to audit skills training as Mandatory/Essential/Desirable. Assess corporate/service area training budgets to match short and long term needs. (HR Manager) Succession Workforce planning. (SMT) Prioritisation of work. (SMT) Appropriate use of external resources. (SMT)	 <p>Impact</p> <p>Likelihood</p>

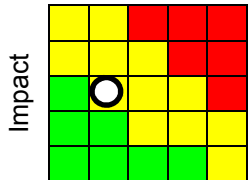
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks				
6. Risk of insufficient finance to enable the council to meet its objectives (including insufficient reduction in operational costs).	<p>Poor financial planning.</p> <p>Unexpected loss of income and/or increase in expenditure.</p> <p>FFF Projects do not achieve sufficient savings.</p> <p>Risk of poor Revenue Support Grant Settlement.</p> <p>Business Rate Retention.</p> <p>Council Tax income base reducing.</p> <p>National Economy declines.</p> <p>Local economy declines</p> <p>Tightening of Government fiscal policy.</p> <p>Changes to Government Policy.</p> <p>Reduced Government grants.</p> <p>Demographic changes.</p> <p>Focus on FFF priorities which compromise existing service delivery.</p> <p>Weak financial planning and forecasts.</p> <p>External competition.</p> <p>Member decision making.</p> <p>Council policy framework not conducive to enterprise development.</p> <p>Increased contract costs (from intro of LW)</p> <p>Housing and Planning Bill reducing the resources available to the Council to maintain its housing landlord service.</p> <p>Housing numbers not achieved.</p>	<p>Forced to make large scale redundancies.</p> <p>Forced to make urgent decisions without appropriate planning.</p> <p>Forced to make service cuts.</p> <p>Increased costs.</p> <p>Fines/penalties imposed.</p> <p>Landlord service becomes unviable and/or the condition of the housing stock reduces its utility and value.</p> <p>Loss of New Homes Bonus.</p> <p>Reduction in reputation.</p>	<p>Codes of Financial Practice and Procurement Practice. (HoF)</p> <p>Effective internal audit function. (HoF)</p> <p>External audit of financial accounts. (HoF)</p> <p>Effective management of FFF Projects. (SMT)</p> <p>All projects accompanied with robust financial appraisals and programme forecasts that allow the Council to understand projected funding requirements. (HoF)</p> <p>Council's constitution. (DCE(AJ))</p> <p>Financial training. (HoF)</p> <p>Robust financial planning and a Medium Term Financial Plan that can accurately forecast income and expenditure. (HoF/SMT)</p> <p>Prosperity Agenda prioritised within Council aspirations and resources aligned to support delivery. (CMT)</p> <p>Code of Financial Practice Training. (HoF)</p> <p>Plan in place to make savings as to meet the anticipated budget shortfall. (HoF/SMT)</p> <p>Leisure Development Programme regarding investment and management arrangements now completed. (HoCS/CMT)</p> <p>New FFF programme agreed by Members. (CMT)</p> <p>Ongoing monitoring and future reports of existing assumed savings – e.g. leisure programme, office move, terms & conditions review. (SMT).</p> <p>Completion of the Relocation Project Phase 1 investigation work by the LLP to enable the Council to agree to move to Phase 2 – project delivery (DCE(BH))</p> <p>Efficiency Plan agreed with DCLG. (HoF/CMT)</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
7. Risk of additional financial liabilities.	<p>Risk of revenue implications of capital schemes not being fully identified.</p> <p>Risk of loss or delay of capital receipts.</p> <p>Risk of increase in superannuation fund contributions.</p> <p>Uninsured loss.</p> <p>Risk of Medium Term Financial underestimating future revenue income and expenditure (including capital)</p> <p>Legal challenge e.g. relating to a planning development.</p>	<p>Greater level of savings to be sought.</p> <p>Forced to make sub-optimum and short term decision without proper planning.</p> <p>Reduced levels of service.</p> <p>Payment of compensation.</p> <p>Failure to deliver service.</p> <p>Contractual disputes.</p>	<p>Fit for the Future change programme. (CMT)</p> <p>Project Risk Registers. (SMT)</p> <p>Project Management. (SMT)</p> <p>Development of an Asset Strategy linked to Asset Database. (DCE(BH))</p> <p>More effective financial planning and scenario analysis. (HoF)</p> <p>Regular monitoring of Fit for the Future. (SMT)</p> <p>Legal advice on projects. (SMT)</p> <p>Projects drawn up within RIBA framework. (SMT)</p> <p>Reserves used to smooth impact of fluctuations in income. (HoF)</p>	

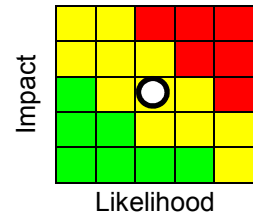
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Financial Management Risks (Cont.)				
8. Risk of not investigating potential income sources.	Ineffective management. Complacency. Lack of resources to investigate. Other priorities.	More loss-making or subsidised services. Reduced income for the Housing Revenue Account that could compromise banking covenants.	<p>FFF Programme. (SMT)</p> <p>Effective fees and charges schemes. (HoF)</p> <p>Communications & Marketing Strategy. (SMT)</p> <p>Regular reviews of financial forecasts to ensure income projections are up to date. (HoF)</p> <p>Secure additional resources to ensure existing services are not impacted as a result of a focus on FFF/corporate priorities. (HoF)</p> <p>Ongoing engagement with the CWLEP to ensure future funding opportunities are understood and assessed. (CMT)</p> <p>Engagement of external partner to assess opportunities to remodel the Council's non-operational asset base (DCE(BH))</p>	 <p>Impact</p> <p>Likelihood</p>

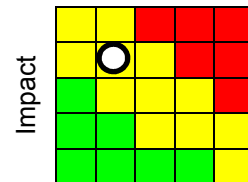
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Procurement Risks				
9. Risk of improper procurement practices and legislative requirements not being complied with.	Weak governance arrangements. Ineffective procurement. Poor procurement function.	Reduced levels of service provision. Increased costs. Fines/penalties imposed.	Codes of Financial Practice and Procurement Practice. (HoF) Training of staff. (HoF/SMT) Monitoring of departmental procurement. (SMT) Procurement Strategy (incl. action plan). (HoF) Code of Procurement Practice and related documents updated. (HoF) WCC Procurement Team and WCC Legal Team providing additional support and expertise. (SMT) Implement new Procurement function arrangements. (HoF)	

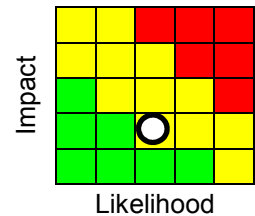
Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Partnership Risks				
10. Risk of partnerships not delivering stated objectives.	<p>Poor management. Failure to apply a robust process for entering into partnerships.</p> <p>Lack of framework governing partnerships.</p> <p>Existing sub-regional partnerships disrupted or disbanded as a consequence of the regional focus resulting from the announcement of the West Midlands Combined Authority</p>	<p>Required outcomes not achieved.</p> <p>Increased costs.</p> <p>Reduced level of service or failure to deliver service.</p>	<p>Ongoing scrutiny of partnerships. (DCE(AJ))</p> <p>Normal management arrangements. (SAMS SMT)</p> <p>Partnership checklists. (DCE(AJ))/SMT)</p> <p>Annual healthcheck completed by senior officers. (DCE(AJ))/SMT)</p> <p>Scrutiny committee regular review. (DCE(AJ))</p> <p>Audit of partnership arrangements. (DCE(AJ))</p> <p>Project Groups for significant services. (SMT)</p> <p>Involvement in and engagement with existing sub-regional partnerships such as CWLEP. (CMT)</p>	
Legal Risks				
11. Risk of not complying with key legislation or legal requirements, including failure to protect data.	<p>Breakdown in governance.</p> <p>Bureaucratic mistake. For example – Not seeking legal advice; not implementing it; simply getting delivery wrong e.g. sending out wrong email.</p>	<p>External censure.</p> <p>Financial loss.</p> <p>Litigation.</p> <p>Financial sanctions/penalties</p> <p>Damage to reputation.</p>	<p>Constitution. (DCE(AJ))</p> <p>External legal advice. (DCE(AJ))</p> <p>Ongoing monitoring of all Executive recommendations. (DCE(AJ))</p> <p>Ongoing professional training. (SMT)</p> <p>Implement new arrangements to deal with GDPRs. (DCE(AJ))/SMT)</p>	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Information Management Risks				
12. Risk of ineffective utilisation of information and communications technology.	Poor management of IT function. Lack of specialist staffing. Lack of finance. Poor training of new and existing staff on ICT systems. Poor data quality. Resistance to change.	Costly services. Inefficient services. Poor customer service. Data disclosures.	ICT Strategy and Digital Transformation Strategy. (DCE(AJ)) Fully-resourced, effective and secure IT function. (DCE(AJ)) Training for staff. (DCE(AJ)) Procurement of a Change Partner to work with SMT on the optimal use of ICT to support business processes in the lead up to the HQ relocation (ICT/HR/DCE (BH))	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Information Management Risks (Cont.)				
13. Risk of failure to protect information assets from a malicious cyber attack	Lack of staff training and awareness. Poor or ineffective countermeasures. Ineffective incident response plans. Inadequate penetration testing regime.	Reputational damage. Lost productivity. Recovery costs. Potential fines (ICO).	<p>CESG approved penetration tests. (DCE(AJ))</p> <p>Patch Management Policy. (DCE(AJ))</p> <p>Anti-malware software, plus next generation AV- Intercept X. (DCE(AJ))</p> <p>Anti-malware strategy. (DCE(AJ))</p> <p>Anti-malware risk log. (DCE(AJ))</p> <p>Incident Management Policy & Procedure. (DCE(AJ))</p> <p>Major Virus Response Procedure. (DCE(AJ))</p> <p>Electronic Information Backup Policy. (DCE(AJ))</p> <p>Introduction of multiple file servers to reduce target exposure and to speed up recovery (DCE(AJ))</p> <p>Introduction of temporary web site in the event of a major outage, reducing reputational damage. (DCE (AJ))</p> <p>Phishing training for staff to be brought to ICTSG. (DCE(AJ))</p> <p>Next generation AV, including Intercepting Ransomware in place. (DCE(AJ))</p> <p>National Cyber security check now in place. (DCE(AJ))</p> <p>Investigate the cost/benefits of introducing network Intrusion Detection and/or Intrusion Prevention Systems that can either alert network admins of suspicious activity or allow configured automated responses to the identified threat. (DCE(AJ) / ICT)</p>	<div data-bbox="1825 622 2094 845"> <p>Impact</p> <p>Likelihood</p> </div> <p>It is now considered that the Likelihood score was initially over-rated. The likelihood of the risk materialising is still high but not certain as was suggested originally by assessing it at level 5 for Likelihood.</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Asset Management Risks				
14. Risk of failing to provide, protect and maintain Council-owned property.	<p>Poor management.</p> <p>Lack of finance.</p> <p>Ineffective asset management.</p> <p>Incomplete data on asset conditions.</p> <p>Lack of effective asset management planning.</p> <p>Insufficient resources to maintain assets.</p> <p>Inaction re multi-storey car parks.</p>	<p>Lack of a suitable and safe living or working environment for residents, staff and visitors.</p> <p>Sub optimum asset decisions that are poor value for money.</p> <p>Building closure.</p> <p>Closure of car parks with resultant loss of income.</p>	<p>Development of an Asset Management Strategy linked to Asset Database. (DCE(BH)) Overall strategic decisions regarding Council's corporate assets managed by multi-disciplinary Asset Strategy Group – chaired by Deputy Chief Executive. (DCE(BH)) The operational management of the corporate repairs budget is overseen by the Asset Management Group (AMG) – chaired by Property Assets Manager. (PAM) The role and function of this group reviewed as part of the Assets Team redesign (DCE(BH))</p> <p>Improvements to be made to end-to-end systems to manage electrical testing, asbestos management fire safety, and gas servicing and Legionella Disease monitoring through the Assets Team redesign. (DCE(BH)) Remodelling of Housing Investment Programme based on HRA stock condition survey. (AM/DCE (BH))</p> <p>Completion of viability assessment review at end of Relocation Project Phase 1 work being undertaken by the LLP and confirmation of allocation of funding for the new Covent Garden MSCP (DCE(BH))</p> <p>Completion of review of the corporate asset planned maintenance programme's next 5-year tranche for corporate assets. (DCE(BH))</p> <p>Preparation of Option Appraisal and Business Cases for Linen Street MSCP replacement. (HoNS) Ongoing review through re-established Corporate Compliance Group. (HoH&CP) Corporate Fire Safety Group has been established to review safety procedures in the HRA multi-storey properties (DCE(BH))</p>	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Emergency Response and Business Continuity Risks				
15. Risk of a major incident not responded to effectively.	<p>Numerous causes including terrorism, natural disaster, loss of ICT facilities/data and pandemic such as bird flu.</p> <p>In terms of cyber-attacks, the Council does not currently operate an automated Intrusion Detection System (IDS) / Intrusion Prevention System (IPS).</p>	<p>Partial or total loss of resources such as staff, equipment, systems.</p> <p>Major media engagement.</p> <p>Major disruption to all Council services.</p> <p>Possible legal action for damages.</p>	<p>Emergency plan reviewed every 6 months. (CMT)</p> <p>Business continuity plan reviewed every 6 months. (CMT)</p> <p>Training to be provided to councillors and to officers named in MEP. (HoH&CP)</p> <p>Review of the MEP, named officers within MEP, associated SOPs. Gaps identification and appropriate updating. (HoH&CP)</p> <p>Operational testing and exercising of the MEP and vulnerability responses within Warwickshire. (HoH&CP)</p> <p>Safety Advisory groups of events held within the district & command and control centres for major district events. (HoH&CP)</p> <p>Review of business continuity plans for service areas. Council wide consolidation of the priorities contained within those plans. (HoH&CP)</p> <p>ICT Business Continuity contract, inc. annual off-site rehearsal. (ICT)</p> <p>Perimeter network protection (Firewall, 2 Factor Authentication, Spam filter, Antivirus, etc.), including penetration testing. (ICT)</p> <p>Backup and recovery procedures. (ICT)</p> <p>Provision of Counter Terrorism training. (HoH&CP)</p> <p>Detection and/or Intrusion Prevention Systems that can either alert network admins of suspicious activity or allow configured automated responses to the identified threat. (DCE(AJ) / ICT)</p>	 <p>Impact</p> <p>Likelihood</p>

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation / Control / Future Action (in bold)	Residual Risk Rating
Environmental Risks				
16. Risk of climate change challenges not responded to effectively.	Lack of expertise. Lack of finance. Failure to reduce carbon footprint.	Budgetary impacts. Service changes required if long recovery phase. Loss of reputation and external censure. Disruption to services. Public health issues.	Sustainability Action Plan. (HoH&CP)	
Planning Risks – No strategic or corporate Planning Risks currently.				

Key:

New narrative

Narrative transferred

Deleted narrative

Comment

¢ = Current risk score

etc = Previous risk scores

Æ etc = trail (direction) of changes

CMT	:	Corporate Management Team
SMT	:	Senior Management Team
CE	:	Chief Executive
DCE(AJ)	:	Deputy Chief Executive and Monitoring Officer – Andrew Jones
DCE(BH)	:	Deputy Chief Executive – Bill Hunt
HoF	:	Head of Finance (and S151 Officer)
HoDS	:	Head of Development Services
HoH&CP	:	Head of Health & Community Protection
HoNS	:	Head of Neighbourhood Services
HoH&PS	:	Head of Housing & Property Services
HoH	:	Head of Housing
AM	:	Assets Manager
HoCS	:	Head of Cultural Services
HR	:	Human Resources & Organisational Development Manager
ICT	:	ICT Manager

Summary of Significant Business Risks

APPENDIX 2

Consequences	Probability of Occurrence				
	Low	Low-Medium	Medium	Medium-High	High
High		Risks 1, 2, 4, 6, 8 & 11			
Medium-High		Risk 15	Risks 3, 5 & 7		
Medium		Risk 12	Risks 9 & 14	Risk 10 & 13	
Low-Medium			Risk 16		
Low					

Methodology for assessing risk: Criteria for scoring residual risk rating

Probability of Occurrence

Estimation	Description	Indicators
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"> Potential of it occurring several times within the specified period (for example - ten years). Has occurred recently.
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"> Could occur more than once within the specified period (for example - ten years). Could be difficult to control due to some external influences. There's a history of occurrence
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"> Has not occurred. Unlikely to occur.

Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> Financial impact on the organisation is likely to exceed £500K Significant impact on the organisation's strategy or operational activities Significant stakeholder concern
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> Financial impact on the organisation likely to be between £100K and £250K Moderate impact on the organisation's strategy or operational activities Moderate stakeholder concern
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> Financial impact on the organisation likely to be less than £10K Low impact on the organisation's strategy or operational activities Low stakeholder concern