

Mrs Clare Sawdon
Chairman of the Council

Council meeting: Wednesday, 25 February 2015

Notice is hereby given that an ordinary meeting of Warwick District Council will be held at the Town Hall, Royal Leamington Spa on Wednesday, 25 February 2015 at 6.05pm.

Emergency Procedure

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

Agenda

1. **Apologies for Absence**
2. **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.

3. **Minutes**

To confirm the minutes of the meeting of the Council on 28 January 2015 as set out on pages 1 to 7.

4. **Communications and Announcements**



5. **Public Interest Debate**
6. **Petitions**
7. **Notices of Motion**
8. **Public Submissions**
9. **Questions to Committee Chairmen**
10. **Questions to Portfolio Holders**
11. **Leader's and Portfolio Holders' Statements**
12. **Questions to the Leader of the Council**
13. **Setting of the Council Tax 2015/16**

To consider:-

- (a) the recommendations from the meeting of the Executive held on 11 February 2015 (as set out in the attached minute **(Item 13(a), 14 & 15 & 16 / Minute 118 / Pages 4 to 27)**. "Budget 2015/16 and Council Tax – Revenue and Capital); and
- (b) the report of the Responsible Financial Officer **(Pages 1 to 9)**

14. **Housing Rents and Housing Revenue Account Budget 2015/16**

To consider the recommendations from the meeting of the Executive held on 11 February 2015 **(Item 13(a), 14, 15 & 16/ Minute 119/ Pages 27 to 31)**

15. **Heating, Lighting and Water Charges 2015/16 – Council Tenants**

To consider the recommendations from the meeting of the Executive held on 11 February 2015 **(Item 13(a), 14, 15 & 16/ Minute 120/ Pages 32 to 33)**

16. **Executive Report**

To consider Executive minute number 117 of 11 February 2015.
(Item 13(a), 14, 15 & 16/ Minute 117/ Pages 1 to 3)

17. **Revised Code of Conduct for Warwick District Council**

To consider the report of the Deputy Monitoring Officer **(Pages 1 to 24)**

18. **Revised Member/Officer Protocol**

To consider the report from Finance **(Pages 1 to 17)**

19. **Public and Press**

To consider resolving 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 relevant paragraph(s), as set out in the item, of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation)

20. **Confidential Minutes**

To confirm the Confidential minutes of the meeting of the Council on 28 January 2015 as set out on pages 1 to 2. **(Not for publication)**

21. **Common Seal**

To authorise the affixing of the Common Seal of the Council to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.



Chief Executive
Published Tuesday 17 February 2015

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Enquiries about specific reports: Please contact the officers named in the reports.

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) 353362 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 353362.

Warwick District Council

Minutes of the meeting held on Wednesday 28 January 2015, at the Town Hall, Royal Leamington Spa at 6.05pm.

PRESENT: Councillor Mrs Sawdon (Chairman); Councillors; Barrott, Mrs Blacklock, Boad, Mrs Bromley, Brookes, Mrs Bunker, Caborn, Coker, Cross, Davies, Ms Dean, Dhillon, Edwards, Mrs Falp, Mrs Gallagher, Gifford, Gill, Mrs Goode, Mrs Grainger, Hammon, Heath, Mrs Higgins, Illingworth, Kinson OBE, Mrs Mellor, Mobbs, Pittarello, Rhead, Shilton, Mrs Syson, Weber and Ms Weed.

Apologies for absence were received from Councillors Copping, Guest, Kirton, Mrs Knight, MacKay, Pratt, Wilkinson, Williams, and Wreford-Bush.

63. **Declarations of Interest**

Minute 65 – Local Plan Submission Draft

Councillors Caborn, Shilton and Gifford all declared they had a Disclosable Pecuniary Interest because part of the land being considered for housing development allocation was owned by Warwickshire County Council. Therefore as County Councillors they would benefit from this. However dispensation had been granted, by the Standards Committee on 21 January 2015, for them to participate in this matter.

Councillor Boad declared he had a Disclosable Pecuniary Interest because his wife was a Warwickshire County Councillor and part of the land being considered for housing development allocation was owned by Warwickshire County Council. Therefore as a County Councillor his wife would benefit from this. However dispensation had been granted, by the Standards Committee on 21 January 2015, for him to participate in this matter.

Minute 73 – Strategic Opportunity Proposal

Councillors Caborn, Gifford and Shilton all declared they had a Disclosable Pecuniary Interest because Warwickshire County Council could significantly benefit from the proposal, therefore they left the room while this item was considered.

Councillor Boad declared a Disclosable Pecuniary Interest because his wife was a Warwickshire County Councillor and the County Council could significantly benefit from the proposal, therefore he left the room while this item was considered.

Councillor Mrs Falp declared a personal interest because her son was a shareholder in Leamington Brakes Football Club

Councillor Heath declared a personal interest because he was a shareholder in Leamington Brakes Football Club

64. **Minutes**

The minutes of the meeting held on 19 November 2014 were taken as read and, subject to a correction that Councillor Mrs Mellor was a trustee of Racing Club Warwick and not Hill Close Gardens and that Councillor Mobbs had met

with "some" Warwick Town Councillors, were signed by the Chairman as a correct record.

65. **Communications and Announcements**

The Chairman informed the Council that:

- (1) she welcomed the winners, to the meeting, from within Warwick District of the 10th Annual Coventry, Solihull & Warwickshire Sports awards. Sky Blues in the Community for Community Project of the Year for their work in West Warwick, Kenilworth Wardens Under 14s for junior team of the year and Naomi Folkard for Sports Woman of the Year;
- (2) the Boundary Commission had accepted the consent application from the District Council therefore the proposed Parish and Town Council Boundaries would be in place for the elections in May 2015;
- (3) the Parish and Town Council Clerks and Chairs plus unsung heroes of the District meal had gone very well and thanked everyone involved for making this a success; and
- (4) there would be no business under items; 5, Public Interest Debate; 6, Petitions; 8, Public Submissions; 9, Questions to Committee Chairmen; and 10, Questions to Portfolio Holders.

66. **Local Plan Submission Draft**

The Council considered a report from Development Services that sought approval to submit the draft Local Plan and associated documents, to the Secretary of State to commence the Local Plan Examination in Public process.

The report also sought approval from Executive; to publish the Community Infrastructure Levy Draft Charging Schedule for consultation; to update the Local Development Scheme; and to ensure sufficient funding was in place for the Examination in Public process. These aspects would be considered by the Executive that was due to meet at the conclusion of this meeting of the Council.

The table of amendments had been prepared to accompany the Publication Draft Local Plan agreed in April 2014. It did not supersede this, but did indicate the amendments that the Council wished to suggest to the Inspector as the Local Plan was examined. This was the normal practice at the submission stage. The Sustainability Appraisal (SA) had been reviewed to take account of; the revisions set out in appendix 1; and the responses to the consultations which related directly to the SA. The updated SA would be submitted to the Secretary of State alongside the Local Plan.

The Council had approved the Publication Draft Local Plan at its meeting on 23 April 2014. This draft was then subject to a six week period of consultation under sections 19/20 of the Town and Country Planning Regulations, 2012. In response to this consultation 365 respondents made representations. In total these respondents made 1642 representations of which 329 were in support of policies/proposals and 1313 were objections.

Following the close of the consultation, officers had read and considered all the representations and had prepared responses to them. This work was presented in the Report of Public Consultation which had been published on the Council's website. A summary of the key issues arising from this consultation were shown in Appendix 6 to the report.

The table of amendments shown in Appendix 1, to the report, had been prepared to take account of those representations that officers considered raised issues that could potentially undermine the soundness of the plan or specific proposals/policies contained within it. With some specific exceptions all these amendments were relatively minor in nature and did not change the overall strategy of the Plan.

One of the representations to the Publication Draft indicated potential for land at Stratford Road, Warwick to be considered for development. Previously this land had not been considered suitable due to the Cordon Sanitaire and concerns about flooding. Following more detailed site assessments, it was considered that this site had the potential to be allocated for employment and as a result a "focused change" consultation was undertaken in November/December 2014. This consultation also provided the opportunity for consultees to review more recently published evidence that had informed the Publication Draft Local Plan (in particular the Joint Employment Land Review and updates to the Strategic Housing Land Availability Assessment).

In response to the focused change consultation 62 respondents made representations. In total these respondents made 127 representations of which 32 were in support of policies/proposals and 95 were objections. As with the Publication Draft consultation, officers had read and considered all the representations and had prepared responses to them. This work was presented in a separate Report of Public Consultation which had been published on the Council's website. The key issues arising from this consultation were included in Appendix 6, to the report.

The Council should submit the draft Local Plan only if it thought that it was ready for such examination, that it complied with the requirements of the Planning and Compulsory Purchase Act 2004 and that it had been prepared in compliance with all relevant legal procedures including the Duty to Co-operate. Officers considered that Council could be satisfied that these requirements were met.

The Examination in Public process would almost certainly require officers to represent the Council at hearings to justify and support the Council's agreed policy as set out in the Publication Draft, as amended by the Table of Amendments shown in Appendix 1 to the report. This recommendation authorised the Head of Development Services to carry out all the administrative, procedural and other ancillary work necessary to move the Plan through this next stage, including any additional work on the evidence base and supporting information. In addition, if the Inspector asked the Council to consider further amendments in order to make the Plan sound, it would enable the Head of Development Services (or the officers they delegated responsibility to), in consultation with the Deputy Leader, to work with the Inspector to develop possible further amendments which would help the Inspector reach conclusions on the soundness of the Plan. In considering this recommendation, Members should bear in mind that it would not authorise the Head of Development to bind the Council to make any new amendments. The Inspector would recommend amendments and the final decision on whether or not to adopt the Local Plan with those amendments at the end of the Examination process would remain with the Council.

The Council was required to fulfil the Duty to Cooperate in preparing its Local Plan. This required a range of activities including preparing a joint evidence base, working with neighbours to consider strategic infrastructure

requirements and sought to reach agreement on strategic matters. Perhaps the most high profile strategic matter was the housing requirement for the Housing Market Area and the distribution of this requirement across the Area. At its meeting on 21 November, the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity considered and unanimously agreed a report which set out a number of key recommendations, that were set out in Appendix 3 to the report.

The report indicated a housing requirement of 720 dwellings per annum for Warwick District between 2011 and 2031. It also set out a clear commitment and process to address the HMA's additional housing need once this had been established and once the Joint Green Belt Study and other evidence had been agreed. Each of the Council's in the Housing Market Area had, or would be, seeking to formally endorse the recommendations of the EPB report. The timetable for doing this was set out in the report.

An addendum was circulated at the meeting outlining further changes to Appendix 1 and Appendix 2 that had been noted by officers following the publication of the agenda along with a revised plan for DS7 & DS13.

The report as set out, subject to the amendments set out in the addendum was, was proposed by Councillor Caborn, duly seconded and

Resolved that

- (1) in accordance with section 20 of the Planning and Compulsory Purchase Act 2004, the Publication Draft Local Plan and Policies Map is submitted to the Secretary of State for independent examination along with the table of proposed amendments shown in Appendix 1 (as revised by the addendum circulated at the meeting), the Infrastructure Delivery Plan (shown in Appendix 2, as revised by the addendum circulated at the meeting) and all other documents and information as required by the Town and Country Planning (Local Planning) (England) Regulations 2012;
- (2) the Head of Development Services, where necessary in consultation with the Deputy Leader, be authorised to take any steps which she considers to be expedient for the purpose of implementing recommendation 2.1 or promoting the objectives and interests of the Council at the independent examination;
- (3) the Council endorses the report approved by the Coventry and Warwickshire Joint Committee for Economic Growth and Prosperity on 21 November 2014 and shown in Appendix 3 to the report.

67. Notices of Motion

It was proposed by Councillor Weber that:

"this Council will form a Task & Finish Group which will undertake further research and consultation to understand the views of stakeholders in relation to pursuing with the Secretary of State a Regulation 7 Direction of the 2007 Town and Country Planning Act and that the Task & Finish Group will report back to members via the Overview & Scrutiny Committee.

Over the past few years a large number of student 'to let' signs have been appearing across Leamington Spa during late October, November and December. In some locations their concentration is such as to disfigure the street scene.

It appears that the signs do not relate to current vacancies and are very unlikely to be useful for prospective tenants as students in particular use web-based adverts and university networks in looking for accommodation. The signs are unsightly and reflect a lack of sensitivity by landlords and agents towards the heritage of our town.

The case for control is made on the following grounds: the need to reduce street clutter, the effect these signs have in defining an area as 'student' so that they contribute to further 'studentification' and impact on the housing market, and the danger that signs may alert criminals to the location of student properties and expose all residents to burglary.

A number of Local Authorities with large student populations have sought or obtained permission to control letting signs with a Regulation 7 Direction. They include the period of display, the number, the design and the impact on the urban environment.

The Council would expect the report from officers to include details of known Regulation 7 Directions in England, the benefits these have brought and the potential for introduction into Warwick District."

This was duly seconded and on being put to the vote it was

Resolved that this Council will form a Task & Finish Group which will undertake further research and consultation to understand the views of stakeholders in relation to pursuing with the Secretary of State a Regulation 7 Direction of the 2007 Town and Country Planning Act and that the Task & Finish Group will report back to members via the Overview & Scrutiny Committee.

68. Leader's and Portfolio Holders' Statements

The Portfolio Holder for Culture, Councillor Mrs Gallagher informed the Council that:

- (a) the National Bowls Championships had been very successful and was detailed in a report to the Executive along with the outcome of the subsequent review of the first year. The Council's partnership approach secured a national supporting event which has had a tremendous impact with visitor spend of up to £2million. The National Championships this year would run from 1 to 30 August 2015; and

(b) the Panto, at the Royal Spa Centre, was a huge success. It was the first time it had taken over the £200,000 box office target. Over 19,985 tickets were sold with a profit of little over £32,000. Any profit was good news for the Council and correctly pitched as a mid-sized family event. On this basis she congratulated all staff for their work over the festive season.

69. **Questions to the Leader**

There were no questions to the Leader.

70. **Reports of the Executive**

The reports of the Executive of 5 November 2014, 3 December 2014 and excerpt of 14 January 2015, were proposed by Councillor Mobbs, duly seconded and

Resolved that the reports be approved.

71. **Councillor Copping**

It was proposed by Councillor Boad, duly seconded

Resolved that Councillor Copping be granted dispensation not to attend Council meetings between now and 7 May 2015.

72. **Public and Press**

Resolved 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 relevant paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

73. **Strategic Opportunity Proposal**

The Council considered a report regarding the potential for enhancing the strategic ambitions of the Council. The full details of which would be contained within the Confidential minutes of this meeting.

Resolved that the recommendations within the report were noted

74. **Confidential Report of the Executive**

The confidential reports of the Executive meeting of 5 November 2014 and 3 December 2014, were proposed by Councillor Mobbs, duly seconded and

Resolved that the reports be approved.

75. **Common Seal**

It was

Resolved that the Common Seal of Warwick District Council be affixed to such deeds and documents as may be required for implementing decisions of the Council arrived at this day.

(The meeting ended at 9.09 pm)

CHAIRMAN
25 February 2015

Executive

Minutes of the meeting held on Wednesday 11 February 2015 at the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Caborn, Coker, Cross, Mrs Gallagher, Hammon, and Vincett.

Also present: Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Boad (Liberal Democrat Observer), Councillor Mrs Bromley (Independent Group Observer and on behalf of the Overview & Scrutiny Committee), and Councillor Wilkinson (Labour Group Observer).

114. Declarations of interest

There were no declarations of interest.

Part 1

(Items on which a decision by Council is required)

117. Treasury Management Strategy Plan for 2015/2016

The Executive considered a report from Finance that detailed the strategy for 2015/16 that the Council would follow in carrying out its Treasury Management activities including the Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy Statement.

The Council was required to have an approved Treasury Management Strategy, including an Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations could be carried out. The Council would be investing approximately £19.939 million in new capital in 2015/16 and would hold average investments of £50 million (2013/14 actual £53m). This level of investments came from the Council's reserves and provisions, the General Fund and Housing Revenue Account balances, and accumulated capital receipts as well as cashflow.

The Council's treasury management operations were also governed by various Treasury Management Practices (TMP's), the production of which was a requirement of the CIPFA code and which must be explicitly followed by officers engaged in treasury management. These had previously been reported to the Executive and approved. There had been the following changes to various Treasury Management Practices (TMP's) and these changes were outlined in the report.

This Council had regard to the Government's Guidance on Local Government Investments and CIPFA's updated Treasury Management in Public Services Code of Practice. The guidance stated that an Annual Investment Strategy must be produced in advance of the year to which it related and must be approved by Council. The Strategy could be amended

at any time and it must be made available to the public. The Annual Investment Strategy for 2015/16 was contained within Appendix B and its Annex.

The current low interest rate environment was expected to continue for the foreseeable future as whilst interest rates were expected to start rising from the December quarter of 2015 it would be from a very low base and consequently investment returns would continue to be depressed for some time to come. Counterparty credit rating constraints and continuing high investment balances mean that it had become necessary once again to look at alternative investment vehicles in order to ensure that the Council could continue to invest its funds with the highest possible security whilst obtaining a reasonable rate of return. This meant that the Council could diversify its risk rather than just increasing the limits for existing counterparties. The change being recommended was described in more detail in Appendix B, to the report, but essentially involved the addition of Covered Bonds.

The Council had to make provision for the repayment of its outstanding long term debt and other forms of long term borrowing such as Finance Leases. Statutory guidance from the DCLG required that a statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which it related and this was contained in Appendix C to the report.

The Prudential Code for Capital Finance in local authorities, which was revised in 2009, introduced new requirements for the manner in which capital spending plans were to be considered and approved, and in conjunction with this, the development of an integrated treasury management strategy. The Prudential Code required the Council to set a number of Prudential Indicators and these were set out within section 5 of Appendix A to the report, the indicators to which regard should be given when determining the Council's treasury management strategy for the next 3 financial years.

The approval of an annual Treasury Management Strategy was a requirement of the CIPFA Treasury Management in the Public Services Code of Practice, the latest version of which was adopted by the Council in 2011/12.

An alternative to the strategy being proposed for 2015/16 would be to vary the counterparty limits and investment periods from those currently in force in order to increase investment returns but this would expose the Council to increased credit risk and was not recommended.

The Council could also choose to reduce the minimum credit rating criteria instead. However, whilst this would achieve the stated aim of enhancing investment returns it would significantly increase credit risk within the investment portfolio leading to potential loss of capital.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Agenda Item 13(a), 14, 15 & 16

Resolved that changes to the various Treasury Management Practices as detailed in the report, be noted.

Recommended to Council that

- (1) the Treasury Management Strategy for 2015/16 as set out in the report and detailed in Appendix A to the report be approved,
- (2) the 2015/16 Annual Investment Strategy as outlined in the report and detailed in Appendix B, to the report, together with Annex 1 including the following changes, be approved:-
 - (i) as per paragraph 2.9 of Appendix B, to the report, covered Bonds are added to the list of Specified and Non Specified investment vehicles that the Council can use;
 - (ii) as per Annex 1, to the report, the individual counterparty limit for Covered Bonds issued by a) private sector financial institutions be £5 million b) private sector financial institutions wholly or part owned by the UK Government £9 million and c) Corporates £3 million, be approved;
 - (iii) the Municipal Bond Agency be included in the list of organisations that the Council is permitted to borrow from as per Appendix A paragraph 4.4, of the report, be approved;
- (3) the Minimum Revenue Provision Policy Statement as outlined in the report and contained in paragraphs 4.1 to 4.4 of Appendix C, of the report, be approved; and
- (4) Prudential Indicators as outlined in the report and contained in paragraphs 5.1 to 5.5 of Appendix A, to the report, be approved.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 666)

118. Budget 2015/16 and Council Tax – General Fund Revenue and Capital

The Executive considered a report from Finance that updated them on the overall financial position of the Council. It included the latest position in respect of the 2014/15 General Fund Revenue Budget and the future implications of the proposed changes. For 2015/16 onwards, the report considered both the General Fund Revenue Budget and the Capital Programme. The information contained within this report supported the recommendations to Council in respect of setting next year's budgets and this Council's level of Council Tax for 2015/16. It updated members on the latest projections and assumptions in the Medium Term Financial Strategy, identifying the on-going savings required by 2019/20. The report also updated members on the Council's Reserves and General Fund.

The Council was required to set a budget and council tax each year taking into account the many factors that are considered within this report. In particular:-

- The revenue and capital budget were being considered together.
- The Council was required to determine an authorised borrowing limit in accordance with The Local Government Act 2004, Section 3, and to agree prudential indicators (Appendix 12 refers) in accordance with the CIPFA Code for Capital Finance in Local Authorities.
- The Chief Financial Officer was required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves. (This statement is made at Appendix 2).
- By considering the 5 Year Medium Term Financial Strategy at the same time as the latest and next year's Budget, the Council had a full understanding their effect on the long term implications.

Appendix 1, to the report, summarised the latest 2014/15 Estimates and the proposed Budget for 2015/16. The latest Estimates for 2014/15 were reported to the Executive in December 2014 with net expenditure of £17.9m and a surplus of £217,000. Further changes were now proposed, which were as followed:

- Town Hall liability for Town Council overcharges (Business rates and service charges);
- An additional £10,000 for the Back Up Generator at Oakley Wood Crematorium, bringing the total cost to £30,000 as agreed by the Executive in December 2014;
- £134,000 Non-Recurrent Business Rate Refunds in respect of Council properties;
- A Leisure Centre staffing non-recurrent overspend of £47,000 which was net of a £3,000 increase in Vending Machine Commission. – £12,000 of this was at St Nicholas Park Leisure centre (£10,000 due to long term sickness cover);
- The other £2,000 could be attributed to increased costs of swimming teachers as new lessons had been added to the programme in the last 18 months;
- The residual £38,000 was at Newbold Comyn Leisure Centre. The significant part was attributable to the failure to implement new

- rotas, which had been agreed and budgeted for. This was caused by management actions of a former member of staff who unfortunately had found the role beyond their capabilities;
- Actions had now been taken to address the causes of the overspend at Newbold Comyn, and the new manager had taken far greater control of staffing since November 2014. New rotas would be introduced at all sites from 1 April 2015 to coincide with the start of the new activity programme;
 - The figures quoted above were based on performance until the end of December. Quarter 4 performance would not be known until the end of the year. The gym at Newbold Comyn was to undergo a refit of new equipment in February 2015. Officers were hopeful that both swimming and gym income would exceed budgeted levels and cover the costs set out above.
 - A saving of £15,000 was now forecast on the budget for the National Living Wage based on the spending to date. This projection took into consideration that the next months could be higher due to additional staffing at the Spa Centre during the Pantomime and increased Gym activity in the new year; and
 - Minor changes totalling £19,000 debit.

Taking into account the above budget changes, the 2014/15 Estimates showed a projected surplus of £220,000. It was recommended that this surplus was carried forward to 2015/16 to form the Contingency Budget for unforeseen unavoidable costs arising during 2015/16 which could not be accommodated within agreed budgets.

The 2014/15 Budget allowed for the 2.2% pay award applicable from January 2015. As part of the 2014 -2016 settlement there was a non-consolidated payment for all staff on Spinal Column Point (SCP) 5 to 49. Advice had been received from West Midlands Employers that the 2.2% pay award was payable to all NJC staff above SCP 49 (grade A staff within Warwick District Council) but that the additional non-consolidated award was a matter for local determination. The Authority employed seven members of staff on grade A and the total cost of awarding the payment was in the region of £1,400 (approximately £200 each). As the payment was due to be paid in December 2014, the Chief Executive used his Emergency Powers to agree to the payments being made, having consulted with the leaders of the main political groups, as set out in the Council's Constitution.

The Head of Finance had approved the following allocations from the Contingency budget:

- Revenues staff settlement (£9,000)
- Media Room maternity cover (£7,700)
- Payroll sickness cover (£1,800)

The unallocated balance on the Contingency Budget 2014/15 stood at £27,600, excluding any other proposed uses from the Contingency Budget discussed elsewhere on the agenda for the Executive dated 11 February 2015.

Agenda Item 13(a), 14, 15 & 16

Since Members agreed the 2015/16 Base Budgets in December, further changes had been identified. Inclusion in next year's Budgets at this point ensured the Budget and Financial Projections would contain the most realistic figures as at the beginning of April 2015. These changes were:-

- £11,000 Reduction in Housing Benefit and Council Tax Reduction Scheme Administration Subsidy;
- National Living Wage – Within the Council's financial projections, £60,000 was included for the full year anticipated costs relating to the National Living Wage. Consistent with the reference within paragraph 3.2.1, it was believed that this budget was overstated, so had been reduced by £15,000; and
- The Employment Committee had recently considered a report on Finance Staffing. Within this, there were recurring costs relating to an additional Revenues Officer (£22,800) and changes to the Accountancy Establishment (£2,100) which have been included within the proposed 2015/16 Budget.

Taking into account the above changes, together with the Government Grant and Council Tax discussed in section 3.4 and 3.5 respectively; there was a balance of £1,000 which had been added to the proposed 2015/16 Contingency Budget.

Collection Balance – Latest monitoring showed that at the end of 2014/15 there would be a negligible balance on the Collection Fund in respect of council tax. On the 15 January each year, this Council as the Billing Authority, notified its major preceptors that there would be a zero balance for 2014/15. If this had not been the case, the balance would have been incorporated into the 2015/16 Budget.

Details of the provisional Grant Settlement for 2015/16 were announced on 18 December 2014. The final settlement was expected at the start of February 2015. Should there be a non-material difference in the grant figures in the final settlement to the provisional settlement, it was proposed that this was accommodated within the 2015/16 Contingency Budget.

No details had been provided over likely levels of grant beyond 2015/16. From the Government's financial projections, the most recent being within the Autumn Statement in December 2014, it was apparent that local authorities would continue to see substantial reductions in core funding for the foreseeable future, although no details were available as to how this would impact upon individual authorities. As district councils were not directly responsible for any of the "protected" public services (eg health and education), it had been necessary to take a prudent stance in projecting this Council's future levels of Revenue Support Grant for the Medium Term Financial Strategy.

As part of the Grant Settlement, the Council was due to receive a Revenue Support Grant of £2,499,484. This figure was in line with the provisional grant announced a year ago.

Agenda Item 13(a), 14, 15 & 16

The Grant Settlement included details of the 2015/16 Business Rates Retention scheme. The Council's Business Rates Baseline for 2015/16 was £3,128,447. Should this Council collect Business Rates in excess of this, it would retain 40% of the additional income. The Business Multiplier would again be held to a 2% increase, (this being below the September 2014 Retail Prices Index of 2.3%). Local authorities would receive additional grant funding to compensate. As previously discussed within Budget Review reports to the Executive, the Business Rates Retention Scheme did present an opportunity for local authorities in terms of the potential to gain from increases in the local business rates base, however, there were also risks associated. Hence it had been necessary to be cautious when estimating the business rates due to be retained by the Council.

Whilst the Government Settlement figures were based upon the Business Rate Baseline, the Authority's actual retained income for the 2015/16 Financial Year was determined by the projection submitted at the end of January 2015 (known as the NNDR1). Between finalising this Executive report and the NNDR1, if the figures changed within the NNDR1, and it was a non-material change, it was proposed that this would be accommodated by compensating adjustments in the sums transferred from the Business Rate Retention Volatility Reserve. Members agreed in December 2012 that authority to approve the NNDR1 was delegated to the Head of Finance in consultation with the Finance Portfolio Holder.

As part of the Budget Setting for 2014/15, the Council agreed funding to ensure all of its employees should receive at least the National Living Wage, which for last year was £7.65. This was confirmed by the Employment Committee in April 2014 and subsequently introduced in October 2014. The Employment Committee also agreed that the Council reviews its commitment to paying any further increase in the National Living Wage from the subsequent April of each year as part of the Budget Process. It was therefore proposed that the Council confirmed its commitment to pay the National Living Wage for 2015/16 and agreed the new hourly rate of £7.85, an increase of 2.6%, was introduced from April 2015. This increase had been allowed for within the proposed 2015/16 Budget.

In setting these Budgets, Members needed to be aware of the impact on their local Council Tax Payers. 2015/16 was the fifth year that this Council had been able to "freeze" its share of the Council Tax, and received council tax freeze grant. For 2015/16 the Government was providing a Grant equivalent to the value a 1% per cent increase would have yielded. This equated to £79,000.

The 1% tax freeze grant was helping the Council to maintain its funding and services for the period that the grant was paid. The Government had previously announced that the freeze grant amounts would be added to the Spending Review baseline and would therefore be on-going. This was intended to remove a cliff edge in 2016/17 (if council tax freeze grant funding were to be removed). However, this future funding would be part of the future Revenue Support Grant which was still projected to see further significant reductions in future years.

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If the Council was to propose an increase of above 2% this would require a referendum. Whilst this would have one-off costs relating to its administration, if the electorate agreed to an increase above 2%, this would help to protect the Council's funding and services into the future.

The Council's element of the Council Tax was calculated by taking its total budget requirement, subtracting the total External Grant from Central Government in respect of Revenue Support Grant (RSG) and Retained Business Rates and any collection fund balance. This figure was divided by the 2015/16 tax base to derive the District Council Band D Council Tax. The Tax Base for 2015/16 had been calculated at 50,836.73 Band D equivalent dwellings. These figures were shown in Appendix 1. The District element represented 9.6% of the total Council Tax in 2014/15.

The recommendations within this report produced a Band D Council Tax for Warwick District (excluding parish/town council precepts) for 2015/16 of £146.86, this being the same as for 2014/15. Based on this zero increase the Council Tax levels for each of the respective bands would be:-

Band	2015/16
A	£97.91
B	£114.22
C	£130.54
D	£146.86
E	£179.50
F	£212.13
G	£244.77
H	£293.72

Parish and town councils throughout the district had been asked to submit their precepts for 2015/16. At the time of writing, not all precepts had been confirmed. It was estimated that the precepts would total around £1,300,000. This figure excluded the Grants that this Council would be awarding to the Parishes in respect of the Council Tax Support adjustments to the Tax Base (as detailed within the December 2013 Base Budget report).

At the time of writing neither the County Council nor the Police & Crime Commissioner had set their 2015/16 budgets and element of the Council Tax. The meeting of the County Council was scheduled for the 5 February 2015 and the Police & Crime Commissioner was due to seek approval from its Panel on the morning of 3 February 2015.

This was the arithmetical process of 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 required by this Council. A report to the Council Meeting on the 25 February, 2015 would provide the required details. The Council would then be in a position:-

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- (a) to 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 Act.

The setting of the budget and the Council Tax by Members involved their consideration of choices and alternatives. No genuine and reasonable options should be dismissed out of hand and Members must bear in mind their fiduciary duty to the Council Taxpayers of Warwick District Council.

Should Members wish to propose additions or reductions to the budget, on which no information was given in the report before Members, they should 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 on them. The report set out relevant considerations for Members to consider during their deliberations, including the statement at Appendix 2, to the report, from the Chief Financial Officer.

Members were reminded of the need to ignore irrelevant considerations. Members had a duty to ensure that the Council acted lawfully. They were 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 considered should be provided, against the costs of providing such services.

It was a duty on all Members of the Authority to set the budget. What this meant in practice was that collectively all Members had this duty not just the Executive. Case Law had shown that abstention was not a defence in failing to comply with this duty.

Members were also reminded of section 106 of the Local Government Finance Act 1992, which required any member who had not paid their Council Tax or any instalment for at least two months after it was due and which remained unpaid at the time of the meeting, to 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.

The New Homes Bonus to be awarded to this Council in 2015/16 was £1,622,888 (Provisional), of which £118,543 had already been committed to the W2 (Waterloo/Warwick District Council) Joint Venture. In addition, £300,000 had been committed to Bishop's Tachbrook Community Centre and to underwrite a further £150,000 in the event that other bids for funding were unsuccessful, leaving an unallocated balance of £1,054,345.

New Homes Bonus Funding was "non-recurrent" for a six year rolling period and there was no certainty that the Government would continue with the scheme in future years. Due to the uncertainty in future years, this Council did not rely on these monies for future years of core services.

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It was recommended that the balance of £1,054,345 was appropriated as follows-

- Hill Close Gardens £100,000. The Trust had approached the Council for further support when the existing Grant was discontinued. £20,000 per annum for 5 years 2015/16 to 2019/20 would help to reduce the deficit demonstrated in their Business Plan. It was recommended that a Service Level Agreement was agreed with Hill Close Gardens, with the precise details of this delegated to the Chief Executive in consultation with the Head of Finance and Head of Development Services;
- Corporate Asset Reserve £570,000. Last year sufficient monies were allocated to this Reserve to support the unfunded element of the Corporate Asset Repairs 30 year programme. Savings arising in the current financial year would contribute towards the year 2 plan, however a further allocation £570,000 was required to complete all the items for the second year. In February of last year, Officers were tasked to consider how the Council could manage its Corporate Asset Base more efficiently and report back to Members;
- Riverside House backlog maintenance £60,000. The planned office move had been delayed by 24 months overall. Based on the earlier target of April 2016, general repairs on the current offices were put on hold. However, it had now reached the point when these works could not be deferred further.
- General Fund Early Retirement Reserve £100,000. Due to staffing restructures, this had been depleted over the last few years. Further demands were anticipated from the Housing and Property Services restructure;
- Planning Reserve £50,000. Similarly this had been depleted and future demands were forecast from Appeals and the Local Plan; and
- Equipment Renewals Reserve £174,345. Members would already be aware this had always been undersubscribed to cover all of the demands for a full 5 year period.

As in previous years, with the uncertainty over the future levels of New Home Bonus, and how long the scheme would continue, the above allocations were on the basis that the NHB was not used to support the provision of key Council Services. The use of the New Homes Bonus was reflected in the Statement of New Homes Bonus within Appendix 3.

In the December Autumn Statement the Government announced a package of business rates measures including extending in effect the existing transitional relief scheme for two years for properties with a rateable value up to and including £50,000. As a result of this measure, small properties that would otherwise face bill increases above 15% and medium sized properties (with a rateable value of £50,000 or less) that would otherwise face bill increases above 25% would benefit.

As this was a temporary measure the Government announced its intention that it would not be altering legislation in order to effect these changes. Instead it was requesting local authorities to use their discretionary powers (under section 47 of the Local Government Finance Act 1988) to implement the above change for 2015/16 and 2016/17.

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It was for individual local authorities to decide to award relief under section 47 but if the local authority decided to support the Autumn Statement initiative then Central Government would fully reimburse the cost of the local share of reimbursing the relief. Consequently the Council would be no worse off under the business rates retention scheme if it adopted the scheme. This change was not expected to affect many businesses, with small sums involved.

Under current arrangements, any money paid out in respect of Housing Benefit, relating to War Widows Pensions, was reclaimed from the Government in the form of subsidy and the scheme by which the Council determined entitlement to the Benefit was prescribed by the Government.

Section 134(8) of The Social Security Administration Act 1992, provided Local Authorities with the discretion to disregard the whole or part of any War Widows(ers) pension, War Disablement Pension and the Armed Forces Compensation Scheme Guaranteed Income Payment in the calculation of Housing Benefit, over and above any statutory disregard provided for in legislation. Any additional Housing Benefit paid to the claimant as a result of disregarding this income did not attract subsidy and therefore the costs were borne by the Authority.

The discretion must be by full resolution of the Council, it had been some time since this was last considered and therefore it would be appropriate for a new resolution to be agreed. Within the Council's Council Tax Reduction Scheme, this income was already included as a disregard.

The table below showed the cost to the Authority for the last 3 years. These were allowed for within the proposed Budget.

	2011/12	2012/13	2013/14
	£	£	£
Cost to WDC per annum	38,247	34,087	26,274

At its meeting of 16th April 2014, Executive agreed to make a financial contribution of up to £400,000 (including £50,000 contingency) from the Capital Investment Reserve to help provide a new building for the Cadets and that authority was delegated to Deputy Chief Executive (AJ), in consultation with Councillor Coker, to agree the precise terms of use and release of the funding.

Since that decision, detailed feasibility work had taken place to prepare for the construction of a new building for the Cadets on the Warwick Corps of Drums site including gaining a planning approval. Whilst the feasibility study had provided a positive conclusion in terms of the building's siting, the construction was now estimated to be c£85,000 more than anticipated.

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Consequently the Cadets had been exploring alternative options for the siting of their new building and there was a potential solution at the Aylesford School site. Whilst there was still much work to do, the initial appraisal was positive and therefore it was recommended that should this solution be viable and within budget then the funding was re-allocated to support the construction of a new building at this site. Should this not prove viable then negotiations would continue with the Warwick Corps of Drums.

It should be noted that the Aylesford School site was in Warwick West and would provide for the same catchment area as the Warwick Corps of Drums site. It would also be situated next to a children's facility thereby being highly visible with hopefully a positive impact in terms of participation.

£10,000 had previously been approved for St Mary's Land Business Strategy. Of this, £4,000 remained unspent which was proposed should be reallocated to St Mary's Lands Working Group studies to enable the Group's work to continue, with the budget now delegated to the Chief Executive.

Earmarked Reserves were agreed by Executive as part of the Final Accounts process in June of each year. These related to slippage of specific budgets from one year to the next where it had not been possible to carry out a specific project in the timescale originally intended. Within the earmarked reserves carried forward from 2013/14 was £16,900 for Climate Control. This budget was expected to be needed for projects relating for the Local Plan. However, this work had been funded from the Planning Reserve. It was now proposed that members agreed that the £16,900 was used towards projects as part of the Council's Strategic Approach to Sustainability and Climate Change in line with the report considered by the January 2015 Executive meeting.

Members were regularly updated on the projections within the Medium Term Financial Strategy and levels of savings still to be identified. There were many uncertainties and it was prudent to regularly review and report the latest position. When setting the next year's Budget and Council Tax in February of each year, members needed to be aware of how this affected the next 5 years. At the time of writing this report the Government had not yet given any indication of levels of funding beyond 2015/16. The projections remained based upon previous assumptions and advice from our advisors, LGFutures.

Members were last updated in December when the 2015/16 Base Budgets were presented. At that point £0.912 million in savings by 2019/20 still needed to be identified and delivered to enable the Council to set a balanced budget. Since then there had been further changes to the projections as detailed below:-

- Additional income due to an increase in the agreed Council Tax Base for 2015/16 above that originally assumed in the Strategy, £96,000 favourable;

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- Full impact of Pay Award in addition to amounts previously estimated, £28,000 adverse;
- In January of this year, Capita, the Council’s Treasury Management Consultants alerted officers that future increases in interest rates were likely to be delayed. This reduced the forecast investment interest income by some £111,000;
- The impact of the Finance Staffing changes approved by January 2015 Employment Committee, £24,900 adverse;
- The cost implications from the introduction of the National Living Wage had not proved as much as originally forecast, £15,000 saving;
- Recurrent changes (adverse -minor) in the 2014/15 and 2015/16 Budgets, total adverse £16,000.

Taking all of these changes into consideration, the on-going un-met savings needed by 2019/20 were now projected at £980,000. Members were asked to note with serious concern that the level of savings could increase significantly above this if Central Government future funding reduced above the levels assumed. It should be noted, that this savings requirement was after various agreed savings to be actioned in future years had been taken into account. These included:-

- Proposed Office move £300,000;
- Different Ways of Working £100,000; and
- 2.5% per annum savings on “non-contractual” budgets up to 2017/18 £416,000.

The profile of the savings required and future forecast deficit that would ensue should these savings not be identified and achieved were depicted graphically in the report. The complete 5 year Financial Strategy was shown at Appendix 4, to the report.

The table below compared the forecast position in February 2014 with that reported above.

On-going Savings (-) required	2015/16	2016/17	2017/18	2018/19	2019/18
	£000	£000	£000	£000	£000
Feb-14	-514	197	1,212	1,043	0
Feb-15	0	689	991	972	980

The delay in the Riverside House Office Relocation, originally forecast for April 2016, had a significant impact on the savings profile, with the £400,000 savings now not accruing until 2018/19.

Due to the uncertainties in respect of the timing of the Chandos Street development and potential lost non-recurrent income, this had now been removed from 2017/18. Whilst this had reduced that year’s forecast deficit, none the less the overall on-going savings had not changed significantly.

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The profile of savings required from year to year would also vary as interest rate projections and balances available to invest changed.

During the year, Members had been updated on the latest Financial projections. The changes reported were summarised below:-

	£,000
February 2014 projected shortfall	1,043
Minor	17
Additional year (19/20)	-39
Salaries/Restructures	-101
Government Grant	418
Business Rates Retention	-63
Property income	60
Investment Interest	-299
Inflation provision not provided for in 2018/19	51
Individual Elector Registration (additional Costs unfunded)	55
Income Contingency for seasonal over-recovery	-200
Loss of Decriminalisation of Parking Contract	87
Legal Services Increases (2014/15 recurrent)	42
Cleaning contract to be re-tendered	61
Increased number of license applications	-55
Change in Council Tax Base	-96
February 2015 projected shortfall	980

The General Fund Balance stood at £1.502m as at 31 March 2014. Financially, the forthcoming years would be very difficult for the Council. There were many known specific demands upon the Council's finances, in addition to any not immediately apparent. Many of the risks facing the Council were discussed in paragraph 6 in the report. In order to consider a reasonable level of general reserves a risk assessment had been done and was contained at Appendix 5, to the report. This showed the requirement for the General Fund balance of over £1.5 million against the risks identified above. It had been agreed that £1.5m should be the minimum level for the core General Fund Balance.

The reasons for the General Fund Earmarked reserves and their use were included in Appendix 6, to the report, and Finance and Audit Scrutiny Committee was especially asked to scrutinise this element and pass comment to the Executive. Those General Fund reserves which showed a significant change in the overall balance in the period 1 April 2014 to 31 March 2019 were detailed below and also shown in Appendix 6, to the report:

- (i) Other Commuted Sums - reduction of £144k due to annual funding of mainly Open Spaces maintenance costs;
- (ii) Capital Investment Reserve – a decrease in the balance of £2,857k mainly due to the use of the reserve in financing projected General Fund capital expenditure, offset by contributions from the General

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Fund in respect of previous capital expenditure financed by this reserve;

- (iii) ICT Replacement Reserve - in November 2014, it was approved that a separate ICT Replacement Reserve was created, using £179,000 funding from the Capital Improvement Reserve (CIR) and £925,000 being transferred from the Equipment Renewals Reserve. The latest ICT Replacement Schedule was attached at Appendix 7, to the report. This showed that the Reserve would need £2.9 million to sustain the forecast commitments until 2025/26. At this point there was only £1,104,000 in the Reserve which would be supplemented by any underspendings within the ICT revenue budget each year but currently it was predicted that this reserve would be exhausted by the end of 2018/19;
- (iv) Planning Reserve – increased by £300k from the 2014/15 budget surplus agreed in February 2014 and £50k from the 2015/16 New Homes Bonus but overall a decrease in balance of £132k due to:-
 - (a) Funding the Local Plan and Town Centre Plans costs in 2014/15,
 - (b) Financing the Council's contribution towards HS2 costs in 2014/15,
 - (c) Funding the salary etc costs for the Major Sites Monitoring Officer over the years 2014/15 to 2016/17 and the HS2 Officer over the years 2014/15 and 2015/16 (pending receipt of S106 funding).
- (v) Service Transformation Reserve – a decrease of £1,679k as a result of:-
 - (a) Various approvals under the Council's Fit for the Future programme;
 - (b) £100k towards the New Offices project;
 - (c) £50k contribution towards a new hut for Warwick Sea Scouts;
 - (d) £50k funding for consultants' fees in relation to the feasibility of creating a Council Housing Company;
 - (e) £50k funding for a research source concerning the Prosperity Agenda;
 - (f) £350k funding for the Sports & Leisure options appraisal; and
 - (g) £200k was also transferred in 2014/15 to the Capital Investment Reserve to fund the purchase of land at Radford Road, Leamington Spa.

The following uses of this reserve were proposed:-

- Finance Staffing – a report to the Employment Committee on 27 January recommended temporary posts in respect of Procurement, Revenues and Accountancy, totalling £126,200; and
- Priority Families – it was proposed that £15,000 per annum for three years was contributed towards this project as detailed in Appendix 8. It was proposed that this should be reviewed after a year.

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- (vi) Public Amenity Reserve - this reserve would receive a £300k contribution from the 2014/15 budget surplus agreed in February 2014 but overall there would be a decrease of £320k due to providing the finance for the Play Equipment as part of the capital programme;
- (vii) Community Forums Reserve – This reserve was established using £160,000 from the 2013/14 New Homes Bonus and would be amortised to revenue each year to fund grants to community forums. It would be exhausted by the end of 2017/18;
- (viii) Business Rates Retention Volatility Reserve – this reserve would receive a top up of £1,686k in 2014/15 as previously reported to members. In addition, within 2014/15 the balance on the former National Non-Domestic Rate Pool Account of £416,000 would be transferred to this reserve. The balance on this reserve would be used to smooth out future retained business rate revenues which were likely to remain relatively volatile. In 2015/16 and subsequent years it was intended that contributions would continue to be made to and from this reserve as agreed originally for 2013/14, the first year of Business Rates Retention, so that the net Retained Business Rates within the General Fund equated to the original Business Rates Baseline figure, duly uplifted for the business rate multiplier. This principle would be reviewed in future reports having regard to the on-going profile of retained business rates and the balance on the reserve. In view of the projected increasing balance on this reserve, it was proposed that £467,000 was appropriated to the Equipment Renewals Reserve to ensure it was fully funded up to 2018/19;
- (ix) Public Planning Open Space Reserve – increased by a further £87,000 arising from S106 developers contributions;
- (x) Car Parking Repairs & Maintenance Reserve – decrease of £82,000 due to funding Linen Street multi storey car park works in 2014/15 and multi storey car park structural surveys in 2014/15 and 2015/16;
- (xi) Corporate Assets Reserve – Members would receive a full report in March of this year on the latest Corporate Asset Repairs and Maintenance Programme. During 2014/15 savings on the forecast programme for £214,700 had been returned to this Reserve with £204,000 of Works now rescheduled for 2015/16 and the corresponding Budgeted Amount deferred to 2015/16. The Table below details the additional Budget Requirement for 2015/16 (£570,000) to complete Year 2 of the 30 year Work Programme after taking into account the General Fund Revenue Budget and the £204,000 being slipped by way of the Corporate Asset Reserve.

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Planned Works Category	Budget Required £'000's
Operational Stock Condition Plan	229
Optimism Bias	49
Non-Operational Stock Condition Plan	165
Open Spaces Stock Condition Plan	402
Statutory Maintenance Allocation	120
Responsive/Routine R+M Allocation	634
Warwick Plant Maintenance	112
Slippage from 2014/15	204
Total Forecast Expenditure	1,915
2015/16 Base Budgets available:	£'000's
Responsive Repairs Allocation	634
Warwick Plant Maintenance	112
Unallocated 'Projects' budget	421
Unidentified Discretionary Budget saving	-27
TOTAL 2015/16 General Fund Base Budget	1,140
2014/15 Deferred Budget (Slippage)	204
Sub Total Resources Available	1,344
Shortfall	-571

It was recommended that £570,000 of the 2015/16 New Homes Bonus be allocated to the Corporate Asset Reserve to cover this shortfall. Members' attention was drawn to the fact that if existing Budgets and the amount now being appropriated to the Reserve were fully utilised during 2015/16, this Reserve would have a zero balance at 31 March 2016 and unable to fund any further works identified for the Asset Management Plan. Members would be aware that a review of the Non-Operational Properties was being undertaken by the Warwick Limited Liability Partnership (LLP) as agreed in November 2014.

- (xii) The latest Equipment Renewal Reserve (net of ICT) was attached at Appendix 9, to the report. The commitments on the schedule totalled £1.061million. The estimated balance at 1 April 2015 was £676,000 and a £174,300 contribution from the 2015/16 New Homes Bonus would be made in 2015/16. In addition, as discussed in paragraph 3.10.2.viii), a further £467,000 would be allocated to this reserve from the Business Rate Retention Volatility Reserve to ensure that it was fully funded up to 2018/19;

Where appropriate, options appraisals would continue to be carried out to determine the best method of financing items approved from

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the schedule. This could lead to alternative methods of financing other than directly from the Equipment Renewal Reserve being employed. Such alternative methods of financing may, for instance, include prudential borrowing or leasing but this would require additional revenue savings in order to service the debt repayment costs or lease rentals.

Service Managers and Portfolio Holders had already been tasked with reviewing their items on this schedule on a quarterly basis. There needed to be careful scrutiny of the need to spend from this Reserve. Consideration should be given as to whether the asset still needed replacing, could the same service be delivered using most cost effective methods and other alternatives which would ultimately reduce the net cost to the Council.

In September 2011, members re-affirmed the following process for the release of monies from this Reserve-

- Service Manager to consult Portfolio holder
- Service Manager to report to Senior Management Team
- Chief Executive to consult the Corporate and Strategic Leadership Portfolio holder

It was recommended that the same approval process remained in place for 2015/16. This would enable both SMT and the Council Leader to scrutinise and challenge the need for the replacement and the costs.

In view of the allocations from New Homes Bonus for future funding of Hill Close Gardens and Riverside House Maintenance, it was proposed that new reserves entitled "Hill Close Gardens" and "Riverside House Maintenance" be established with the use of the reserve, management & control and review mechanism as outlined in Appendix 6a, to the report.

Appendix 10, to the report contained the current capital programmes for both the General Fund and Housing (HRA), together with their funding. Appendix 11, to the report, contained reconciliation and details of all the changes, including funding, to the current capital programme compared to that shown in the 2014/15 Budget Book.

The current General Fund Capital Programme included the additional projects, listed below and detailed within the Capital Variations in Appendix 11, of the report:-

Project	Amount	Comments
Contribution towards a new building for West Midlands Reserve & Cadet Force	£400,000	Approved by Executive April 2014 and funded from Capital Investment Reserve
Contribution towards 2 nd Warwick Sea Scouts Headquarters.	£50,000	Approved by Executive February 2014 and funded from Service Transformation Reserve
Land off Radford Road	£190,000	Approved by Executive July 2014

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<u>Project</u>	<u>Amount</u>	<u>Comments</u>
Leamington Spa		and funded from Capital Investment Reserve
PSN – Councillors’ Ipads	£6,200	Approved by Executive February 2014 and funded from Service Transformation Reserve
26 Hamilton Terrace Gaming Incubation Hub	£115,000	Approved by Executive July 2014 and funded by a revenue contribution from the Corporate Repairs & Maintenance budget and external contributions
Bishop’s Tachbrook Community Centre	£450,000	Approved by Executive November 2014 and funded from Capital Investment Reserve in 2015/16 (using New Homes Bonus)
Refurbishment of 4 Jury Street Warwick	£70,000	Approved by Executive July 2014 and funded from either capital receipts or Capital Investment Reserve
Warwick Corps of Drums building refurbishment	£50,000	Approved by Executive October 2014 and funded from either capital receipts or Capital Investment Reserve in 2015/16
Pump Rooms Assembly Rooms Public Address System	£8,900	Approved by December 2014 Executive and funded by a revenue contribution from the Contingency Budget
TOTAL	£1,340,100	

At this time, there were no proposed additions to the Capital Programme.

Any future capital schemes, both self funded and otherwise would need to be in line with the Council’s corporate priorities and full business cases would be required. The business case would need to identify the means of funding following, where appropriate, the carrying out of an options appraisal exercise. It would also need to make sure there were no additional revenue costs which the Council was unable to accommodate and would put further pressure on the Council’s reducing revenue resources.

Also shown in Appendix 10 (part 5), of the report, was a summary of the total General Fund capital resources available to the Council over the period 2014/15 to 2018/19 matched against the projected spend. This showed that over the period the Council has £3.2m surplus resources once the current programme was financed. This was detailed in the table below.

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Reserve	£'000's
Capital Investment Reserve	1,440
Equipment Renewals Reserve	1,087
Public Amenity Reserve	358
External Contributions and Minor Balances	315
Total Capital Resources	3,200

However it should be borne in mind that the current projected called upon the Equipment Renewals Reserve figure were, in the main, not reflected in the capital programme outlined in Appendix 10, to the report, when these were taken into account, the balance on this reserve was circa £10k by the end of 2018/19. The Capital Investment Reserve was in effect a capital contingency for overspending, unbudgeted risks materialising, receipts not materialising when anticipated or some major event that required expenditure in excess of insurance or Government reimbursement schemes. The Council's policy was for the unreserved balance on the Capital Investment Reserve to be maintained at around £2m, although it would be noted from Appendix 6, to the report, it was currently forecast to fall below this level.

In October 2014, members agreed for consultants to be appointed for a tender exercise to determine the actual cost of repairs to the multi-storey car parks. This information was expected to be available later in the year which would help to inform a business case for members to consider and determine how the works could be financed.

The latest Housing Investment Programme was presented in Appendix 10 part 2, to the report.

The changes from the Programme approved in February 2014 were summarised in Appendix 11, to the report. The majority of changes had been previously reported and approved, new changes presented for approval were:

- Re-profiling the budget for redeveloping the Fetherston Court site across financial years based on the latest indicative programme, and separately identifying the re-purchase of an ex-Council house to rehouse affected tenants;
- Slippage of part (£20,000) of the 2014/15 Environmental Works budget to 2015/16, in line with the latest planned programme;
- A £19,200 reduction in the annual Environmental Works budget from 2015/16, due to updated projections of work required;
- An increase in Kitchen & Bathroom programme of £150,000 per year from 2015/16, reversing part of the estimated savings built into the base budgets last year;
- Transfer of the WRCC Rural Enabling Service to revenue.

During the first two years of the revised 'Right to Buy' scheme the Council retained £907,060 from the proceeds of selling Council housing on the condition it would be spent on providing additional affordable or social

rented housing. This funding was being used towards the financing of the Fetherston Court scheme. Current projections were that the Council would retain an additional £57,300 in 2015/16; with similarly low receipts, if any, in future years. Receipts would be fully applied to fund the provision of new housing within the specified 3 year time limit.

Members would be aware that the Council was working with Waterloo Housing Association to bring forward proposals for the development of the Station Approach Site for housing. This site was likely to include a car park which would service the station and the Old Town. There was a separate report to the agenda for the Executive 11 February on Station Approach with a proposal that the business case for this scheme and proposals for funding would be presented to members in March 2015.

The Council was required to determine an authorised borrowing limit in accordance with The Local Government Act 2004, Section 3, and to agree prudential indicators (Appendix 12 refers) in accordance with the CIPFA Code for Capital Finance in Local Authorities.

The Council did not have an alternative to setting a Budget for the forthcoming year. Members could however decide to amend the way in which the budget was broken down or not to revise the current year's Budget. However, the proposed latest 2014/15 and 2015/16 were based upon the most up to date information.

With the limited financial resources available, there was limited capacity to invest in any new initiatives. Any new proposals would need to be accommodated with compensating reductions to other budgets with the consequential impact upon services.

An addendum to the report was circulated that sought approval for £20,000 to be spent from the Contingency budget to provide financial support for the Coventry and Warwickshire Local Enterprise Partnership (CWLEP). This was in response to a letter received by the Chief Executive from Martin Yardley, Chief Executive of CWLEP requesting financial support for 2015/16, the letter was circulated at the meeting. Match funding was provided from the district/borough councils in 2014/15. If members agreed to the request, it was suggested that this would be recommendation 2.25 to the report and be financed from the 2015/16 Contingency Budget, subject to the prior agreement of recommendation 2.2.

The Finance & Audit Scrutiny Committee commented that:

- (1) Recommendation 2.9 should read 'confirmed' New Homes Bonus allocation, not provisional;
- (2) Paragraph 3.2.1, bullet point 4 – Members requested that the wording be amended to provide clarity around the swimming teachers for new lessons. The paragraph gives the impression of negativity when in fact that although there is a cost to provide extra resources based on demand, there will be an increase in income that will offset; and

- (3) In addition, bullet point 5 should read National **Living** wage, not Minimum.

The Finance & Audit Scrutiny Committee noted the additional recommendation **2.25** and the supporting letter from the LEP. The Committee were of the view that members should not support the request for £20k at the moment because the request had been provided at the last minute. It felt that it was unable to make a decision due to the late receipt of this recommendation and there was not enough information provided. It felt that the Leader could have updated the Committee on the work of the LEP and perhaps clarify this recommendation because he had given the Overview & Scrutiny Committee an update earlier in the evening.

The Finance & Audit Scrutiny Committee therefore recommended that the Executive did not recommend recommendation 2.25 to Council until members received further information in order to make an informed decision.

The Executive accepted the comments from Finance and Audit Scrutiny Committee regarding recommendation 2.9 and 3.2.1. as set out in its comments.

The Executive did not accept the recommendation from Finance & Audit Scrutiny Committee regarding the funding to the LEP because the Council had to match fund the cash grant from Government of £500,000. This £20,000 also supported the operation of the Economic Prosperity Board, of which the Council was an integral part, and the funds would also assist in the administering of the ESIF programme. Executive noted that a number of senior officers were involved in influencing this work and that all local authorities were working well together in partnership to achieve major improvements to the residents' and business community in our sub region and felt there should be no delay to the provision of the funding which could cause any doubt regarding our commitment to these operations.

It was therefore

Resolved that

- (1) that the financial contribution be committed of up to £400,000 to the West Midlands Reserve Force & Cadets Association (hereafter referred to as the Cadets) to enable it to relocate from Hampton Road Football Ground can be applied in respect of a new building at the Aylesford School site (Warwick West ward) should relocation to the Warwick Corps of Drums site prove not to be the favoured option and that authority is delegated to Deputy Chief Executive (AJ), in consultation with Councillor

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Coker, to agree the precise terms of use and release of the funding, and any necessary consents and agreements as set out paragraph 3.8.3 of the report, be agreed;

- (2) they did not accept the recommendation from Finance & Audit Scrutiny Committee regarding the funding to the LEP because we have to match fund the cash grant from Government of £500,000. This £20,000 also supports the operation of the Economic Prosperity Board, of which we are an integral part, and the funds will also assist in the administering of the ESIF programme. Executive noted that a number of our senior officers are involved in influencing this work and that all local authorities are working well together in partnership to achieve major improvements to the residents' and business community in our sub region and felt there should be no delay to the provision of the funding which could cause any doubt regarding our commitment to these operations;
- (3) with the inclusion of the above amendments and with the addition of recommendation 2.25 the Executive approved the budget for consideration to Council.

Recommended to Council that:

- (1) they approve the 2014/15 latest General Fund Revenue Budget of net expenditure, including the proposed adjustments, at £17.3m, after the projected £220,000 surplus had been allocated, as summarised in Appendix 1, to the report;
- (2) they approve the 2014/15 projected surplus of £220,000 be allocated to form the Contingency Budget for 2015/16, as discussed in paragraph 3.2.2 of the report;
- (3) notes the use of Emergency powers by the Chief Executive to agree payment of the non-consolidated element of the 2014/16 NJC Pay Award to Grade A officers, paragraph 3.2.3 of the report;
- (4) the changes to the latest 2015/16 General Fund Revenue Budgets (as previously agreed by the Executive on 3 December 2014) below and as discussed in paragraph 3.3.1, of the report,

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with net expenditure of £13.6m, as shown in Appendix 1, of the report be approved;

- (5) to note the Grant Settlement for 2015/16 in section 3.4, of the report, and agree that should there be a non-material change to the final Revenue Support for 2015/16 when the announcement is made, this would be accommodated within the Contingency Budget in 2015/16, paragraph 3.4.1 of the report, and any change in the projected Retained Business Rates will be accommodated within the transfer from the Business Rate Retention Volatility Reserve, paragraph 3.4.5 of the report;
- (6) they approve to pay the National Living Wage to its employees, with the rate increased to £7.85 from April 2015, paragraph 3.5 of the report;
- (7) they approve the Council Tax of a Band D property for Warwick District Council for 2015/16 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts is agreed by Council at £146.86, representing a zero increase on 2014/15, as set out paragraph 3.6.5 of the report;
- (8) subject to approval of the above recommendations, the Council approves the Council Tax charges for Warwick District Council for 2015/16 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows, as set out in paragraph 3.6.5 of the report,:-

Band 2015/16

A	£97.91
B	£114.22
C	£130.54
D	£146.86
E	£179.50
F	£212.13
G	£244.77
H	£293.72

- (9) they approve the Statement of New Homes Bonus Use, within Appendix 3 to the report, and note the New Homes Bonus allocation due

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for 2015/16 of £1,622,888 (allocation), of which £118,543 will be allocated to the W2 (Waterloo/Warwick District Council) Joint Venture and £450,000 towards Bishop's Tachbrook Community Centre, and agrees that the balance of £1,054,345 is appropriated as discussed in paragraph 3.7.3 and in Appendix 3 of the report;

- (10) the Service Level Agreement is agreed with Hill Close Gardens, with the precise details of this delegated to the Chief Executive in consultation with the Head of Finance and Head of Development Services, as set out in paragraph 3.7.3;
- (11) agrees to extend the discretionary business rates transitional relief scheme for two years following the announcement in the December Autumn Statement as discussed in paragraph 3.8.1, of the report;
- (12) agrees to continue disregard income Housing Benefit claimants receive in respect of War Widows(ers) pension, War Disablement Pension and the Armed Forces Compensation Scheme Guaranteed Income Payment in full in the calculation of Housing Benefit, as set out in paragraph 3.8.2 of the report;
- (13) they approve the reallocation of £4,000 from St Mary's Lands Business Strategy match-funding to St Mary's Lands Working Group studies to enable the Group's work to continue with the budget now delegated to the Chief Executive, as set out in paragraph 3.8.4 of the report;
- (14) the £16,900 Climate Control Earmarked Reserve budget is used for projects as part of the Council's Strategic Approach to Sustainability, with its use delegated to the Head of Health and Community Protection, as set out in paragraph 3.8.5 of the report;
- (15) approves the changes to the financial projections (section 3.9 of the report) and notes the significant future forecast deficit, currently estimated to rise to £0.98m by 2019/20 on net expenditure of £15m and that further on-going savings/ increased income of this amount must be secured in order for the authority to be able to set balanced budgets in

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the future without impacting on the range and quality of services provided; and

- (16) the balances on the Council's reserves are noted, as shown within Appendix 6 to the report, with the relevant allocations to and from the reserves as detailed in section 3.10 of the report, being approved;
- (17) the latest schedule in respect of the Equipment Renewal Reserve (£1.6 million required by 2024/25) be approved and it be noted that this /Reserve is fully funded up to 2018/19, as set out paragraph 3.10.2.xii of the report;
- (18) new reserves entitled "Hill Close Gardens" and "Riverside House Maintenance" be established with the use of the reserve, management & control and review mechanism as outlined in Appendix 6a and paragraph 3.10.3 of the report;
- (19) the General Fund Capital Programme and the Housing Investment Programme, together with their financing, as set out in Section 3.11 and Appendix 10, are agreed by Council;
- (20) the Prudential indicators (paragraph 3.12 refers) as shown within Appendix 12 in paragraphs 2.2, 3.1, 4.1, 5.2, 6.2, 7.2, 8.2, of the report and the annual adoption of the Code of Practice, as shown at paragraph 9.1 of Appendix 12, of the report are approved and endorsed by the full Council;
- (21) if there is any future mismatch between the proposed General Fund budgets and subsidiary strategies and action plans, officers would bring forward proposals for managing service provision within the agreed budgets;
- (22) they approve the updated Financial Strategy, as discussed in paragraph 4.2, of the report, as set out in Appendix 13, of the report;
- (23) they note the risks that may impact upon the Council's financial position and the mitigations and controls in place to manage these risks; and

(24) they approve £20,000 from the 2015/16 Contingency budget to provide financial support for the Coventry and Warwickshire Local Enterprise Partnership (CWLEP).

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference 663)

119. Housing Revenue Account (HRA) Budget 2015/16 and Housing Rents

The Executive considered a report from Housing & Property Services that presented the latest Housing Revenue Account (HRA) budgets in respect of 2014/15 and 2015/16.

The information contained within this report supported the recommendations to Council in respect of setting next year's budgets and the proposed increases to council tenant housing rents, garage rents and other charges for 2015/16.

Appendix 1 compared current rents, proposed rents, and rent restructuring rents; Appendix 2 compared current rents and proposed rents to market rents and affordable rents; and Appendix 3 showed the latest 2014/15 and 2015/16 budgets, including forecast reserves.

The Council was required to set a budget for the Housing Revenue Account (HRA) each year, requiring agreement on the level of rents and other charges that were levied. The Executive was therefore required to make recommendations to Council that take into account the base budgets for the HRA, strategic aspirations for the Housing Service and current Government guidance on rent restructuring.

In May 2014 the Department for Communities and Local Government issued updated guidance on Rents for Social Housing. In summary, Central Government social rent policy remained focused on 'target (formula) social rents' calculated according to a standard national formula. Increases in this target social rent were now linked to Consumer Price Index (CPI) inflation plus 1% rather than Retail Price Index (RPI) inflation plus 0.5%; which would typically mean lower increases (0.6% lower in 2015/16).

However Central Government no longer supported 'Rent Restructuring', the former rent policy where tenants' rents gradually moved towards target social rents through a series of annual rent increases. Instead Government expected an annual rent increase equal to Consumer Price Index (CPI) inflation plus 1%.

CPI in September 2014 was 1.2%, therefore a Rent Increase of 2.2% was expected under Central Government guidance. The report recommended following the national guidance.

This increased projected income for 2015/16 by £552,000.

For reference, the March 2012 HRA Business Plan (when Self Financing was introduced) assumed rent restructuring would be followed and largely completed by 2015/16. To reach target social rents would mean an average increase in rents of 9.56%, increasing HRA rental income by approximately £2.4m per year (compared to 2014/15 rents).

It should be noted that national rent policy was guidance, so social landlords were free to set rents on any other reasonable basis. Central Government had indicated they expected landlords to follow national policy.

The recommendation for rent increases would be reviewed each year to ensure they remained affordable for tenants and did not compromise the viability of the HRA Business Plan. An updated HRA Business Plan would be presented to Executive in March 2015.

Garage rent increases were not governed by any national guidance. Any increase could be considered. The HRA Business Plan base assumption was that garage rents would increase in line with inflation, however there had been no consistent policy followed in recent years.

There were waiting lists for a number of garage sites, whilst other sites had far lower demand; where appropriate these sites were being considered for future redevelopment. To date 88 garages had been demolished or disposed of during 2014/15 to provide land for new affordable housing for rent.

With regard to these factors an increase of 2.2% had been recommended as the most appropriate increase, the same as that proposed for housing rents. This increased projected income for 2015/16 by £10,700.

For tenants, most garage rents would increase by 13p per week, from £5.69 to £5.82. Non-tenants also paid VAT on the charge, so it would increase by 15p per week, from £6.83 to £6.98.

Warwickshire County Council paid a 'block' grant towards the cost of tenants eligible for access to this support without charge. The County Council was currently reviewing its approach to funding of Supporting Peoples services across the county, with proposed changes scheduled for publication in July 2015. A report would be presented to Executive when the details of these proposals were known and the impact on the HRA Business Plan had been modelled.

Those requiring housing related support services were elderly or vulnerable. Any tenant who was not eligible for free support was also not in receipt of housing benefit, so would have to pay the increase in housing rent from their own income in addition to any increase in Supporting People charge.

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To freeze charges would mean more of the cost of the service would have to be funded from 'rent pooling' - that was from the rents paid by all tenants, irrespective of whether they received the benefit of this service.

Therefore an increase of 1% was proposed; this made a contribution towards inflationary costs in the services received, without the increase being unaffordable.

Compared to 2014/15 charges, this increased budgeted income by £1,400; if charges were instead increased by RPI (Retail Prices Index) inflation (2.3%) income would instead increase by £3,300.

The current and proposed charges for each category of support were:

Supporting People Charges:	Weekly Charge 2014/15	Proposed Weekly Charge 2015/16
Very Sheltered Housing properties	£28.83	£29.12
Sheltered Housing properties	£11.39	£11.50
Older Person Designated Dwellings	£6.46	£6.52

The Council was required to set a budget for the HRA each year, requiring agreement on the level of rents and other charges that were levied. The Executive was therefore required to make recommendations to Council that took into account the base budgets for the HRA and current Government guidance on rent restructuring.

The Latest Budgets presented in Appendix 3 were based on the Budgets approved in December 2014 updated for any changes since that report and the recommendations in the report to Executive 11 February 2015.

The projected costs of the Asset Management service redesign were built into base 2015/16 budgets in December. Including temporary posts, the HRA cost of the final proposal presented to Employment Committee in January 2015 had slightly increased, from £14,300 to £17,500. It was expected that this additional £3,200 could be absorbed within the 2015/16 staffing budgets already agreed.

The Asset Management service redesign had taken into account the need to increase the capacity and capability of the Council to better control and manage the cost and quality of the repair and maintenance of the Council's housing stock. This would result in a small increase in long term HRA costs, approximately £19,000 per year from 2017/18. However, this additional capability would allow for longer term efficiencies to be made, for example by more accurate specifying of works at an early stage and closer monitoring of contractor outcomes. The impact of this change would be incorporated in the updated HRA Business Plan to be presented to Executive in March 2015.

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The Housing Investment Programme was presented as part of the separate February 2015 report 'Budget 2015/16 and Council Tax – Revenue and Capital'; a summary was included within Appendix 3.

The recommendations would 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.

The National social rent policy was guidance, and therefore alternatively, any level of average rent could be considered. As long as rents remained below the Rent Rebate Subsidy Limit Rent (which was currently broadly equal to target social rent) each 1% increase or decrease in rent would change projected 2015/16 rental income by £251,000. The longer term effect upon the Business Plan would depend upon the rents set in future years.

It would be possible to implement a lower rent increase; this would reduce the resources available to fund HRA housing priorities, such as increasing the availability of Council housing in the district.

It would be possible to continue with a form of rent restructuring, rather than applying a consistent percentage increase for all tenants. This would mean that, as in previous years, the lower current rents were compared to the target (formula) social rent, the higher the rent increase would be.

The Council could choose to continue to link rents to RPI + 0.5% as in the previous rent guidance, even if not implementing the former 'rent restructuring' element. September 2014 RPI was 2.3%, so under the former guidance the base rent increase (before any rent restructuring) would be 2.8%, rather than 2.2%.

The Council could choose to 'catch-up' for reduced rent increases in prior years by increasing tenant rents further in 2015/16 on whatever basis was felt to be most fair and reasonable.

If rents were increased by more than CPI + 1%, this would reduce the gap between rents for current tenants and the target social rents that would be charged to new tenants.

It would be possible to set rents higher than target social rent; however Central Government discouraged this through Rent Rebate Subsidy Limitation. Each year Central Government specified a 'Limit Rent' for each Council; with the new rent policy, this had been set at target social rent. If average rents were set above the limit rents then Central Government limited funding for Council tenant Housing Benefits proportionally, so in effect the Council had to fund the additional cost of Housing Benefits from the HRA. Therefore if rents were set above the limit rent, each 1% increase in rents would only increase income by approximately £100,000.

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It would be possible to entirely ignore Central Government rent guidance and set rents on any other basis the Council believed more appropriate, as long as rents were set consistently and fairly. There would need to be compelling justification for a significant divergence from national policy.

As an alternative the Council had total discretion over the setting of garage rents. Each 1% change in garage rents resulted in an increase or decrease of potential income of around £4,800 per year. Keeping garage rents artificially low would mean they were effectively subsidised from tenants' rents. Since most tenants did not also rent a garage, and most garages were rented to people who were not Council tenants, this was hard to justify.

It would be possible to set Garage rents higher than those proposed to maximise income; however significantly higher rents might make garages harder to let and so reduce income.

The review of the HRA Business Plan during 2015/16 would consider options for increasing the financial viability of providing garages.

Alternatively the Supporting People (SP) charges could be set at any level. Significant increases might mean the service became unaffordable for vulnerable tenants not eligible for free support. Reductions or long term freezes in charges would mean that the costs of providing the service were not fully recovered, and so additional costs must be met from the rents of all tenants, including those not receiving the service.

Increasing or decreasing Supporting People charges by 1% would change the projected income in 2015/16 by £1,400.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

It was therefore

Recommended to Council that

- (1) housing dwelling rents for 2015/16 be increased by 2.2%;
- (2) garage rents for 2015/16 be increased by 2.2%;
- (3) 2015/16 Supporting People charges for housing tenants receiving housing related support be increased by 1%; and
- (4) the latest 2014/15 and 2015/16 Housing Revenue Account (HRA) budgets, as set out in Appendix 3, be agreed.

(The Portfolio Holder for this item was Councillor Vincett)

(Forward Plan reference 664)

120. Heating, Lighting and Water Charges 2015/16 – Council Tenants

The Executive considered a report from Housing & Property Services that proposed recharges to Council housing tenants for the provision of communal heating, lighting and water supply during 2015/16.

Recharges were levied to recover costs of electricity, gas and water supply usage to individual properties within one of the sheltered and the five very sheltered housing schemes, which were provided as part of communal heating and water supplies. The costs of maintaining communal laundry facilities were also recharged at those sites benefitting from these facilities under the heading of miscellaneous charges.

The charges necessary to fully recover costs were calculated annually from average consumption over the past three years, updated for current costs and adjusted for one third of any over-recover or under-recovery in previous years.

In February 2013 the increase required to meet projected Heating & Lighting costs was felt unaffordable for tenants, so it was agreed to implement a lower increase and aim to fully recover costs within 5 years. Due to environmental measures taken, credits received and significant reduction in inflation on electricity and gas costs it was possible to set the majority of 2015/16 charges at the level that would fully meet costs with a modest increase in charges.

Where the increase to fully recover costs was above 95p per week the recommended 2015/16 increase had instead been set as 95p to ensure the increase was affordable for affected tenants and continued to move towards full recovery over future years.

Alternatively if the proposed charges were 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 meant that the shortfall would either be funded from the rents of all tenants, the majority of whom would 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.

For those Heating/Lighting charges which had been set below the level necessary to recover the full cost, a higher charge could be set to better reflect the costs. This could make the increase unaffordable for some tenants, although the difference was not enormous – at most an additional £0.60 per week, £31.20 per year.


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 meant they could not choose their own energy suppliers. This would not be fair.

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The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Recommended to Council that it agrees the revised recharges for Council tenants relating to heating, lighting, water and miscellaneous charges for the rent year commencing 6 April 2015, as set out in Appendix 1 & Appendix 2, of the report.

(The meeting ended at 6.47 pm)

 Council 25th February 2015		Agenda Item No. 13(b)
Title	The Setting of the Council Tax for the Area of Warwick District Council 2015/16	
For further information about this report please contact	Jenny Clayton jenny.clayton@warwickdc.gov.uk 01926 456013	
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	Full Council 26 th February 2014 (re.2014/15) minute no.100	
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 663
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	16/2/2015	Chris Elliott
Head of Service	16/2/2015	Mike Snow
CMT	16/2/2015	
Section 151 Officer	16/2/2015	Mike Snow
Monitoring Officer	16/2/2015	Andrew Jones
Finance	16/2/2015	Jenny Clayton
Portfolio Holder(s)		
Consultation & Community Engagement		
As detailed in the February Budget Report.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 This report sets the Council Tax for the area of Warwick District, incorporating its own Budget which is borne by Council Tax, along with the precepts from the other authorities within the area

2. Recommendation

- 2.1 That the following, as set out in the budget reports (Executive recommendations 11th February 2015) and Budget Book (distributed in hard copy, or forwarded electronically dependent upon individual member preference), be approved:-

- (a) the Revenue Budgets for 2015/16
(b) the Capital Programme for 2015/16

2.2 **Warwick District Tax Base**

The Council notes the following amounts for the year 2015/16 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-

- (a) 50,836.73 being the amount calculated, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended, as its council tax base for the year.

(b) Part of the Council's Area

Parish	Tax Base 2015/16
Baddesley Clinton	88.81
Baginton	300.27
Barford, Sherbourne & Wasperton	821.73
Beausale, Haseley, Honiley & Wroxall	319.37
Bishops Tachbrook	981.23
Bubbenhall	316.51
Budbrooke	744.71
Burton Green	436.80
Bushwood	11.57
Cubbington	1,470.40
Eathorpe, Hunningham, Offchurch, Wappenbury	332.50
Hatton	940.95
Kenilworth	9,569.15
Lapworth	934.87
Royal Leamington Spa	15,876.96
Leek Wootton	532.00
Norton Lindsey	220.79
Old Milverton & Blackdown	288.19
Radford Semele	781.08
Rowington	517.52
Shrewley	422.29
Stoneleigh & Ashow	521.09

Parish	Tax Base 2015/16
Warwick	11,327.59
Weston-under-Wetherley	184.28
Whitnash	2,896.07
Total Warwick District Council Area	50,836.73

being the amounts calculated, in accordance with regulation 6 of the Regulations as amended, as the amounts of its council tax base for the year for dwellings in those parts of its area.

2.3 **Calculation of Warwick District Council Council Tax, including parish/town council precepts**

That the following amounts be now calculated by the Council for the year 2015/16 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended:-

(a) £89,337,765.17

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2)(a) to (f) of the Act (*Gross Expenditure including parish/town council precepts*).

(b) £80,638,818.00

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act (*Gross Income*)

(c) £8,698,947.17

being the amount by which the aggregate at 2.3(a) above exceeds the aggregate at 2.3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year.

(d) £171.12

being the amount at 2.3(c) above divided by the amount at 2.2(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (*Average Warwick District Council Tax, including parish/town precepts*).

(e) £1,233,065.17

being the aggregate amount of all special items referred to in Section 34(1) of the Act (*Total parish/town council precepts*)

(f) £146.86

being the amount at 2.3(d) above less the result given by dividing the amount at 2.3(e) above by the amount at 2.2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (*Warwick District Council Tax excluding parish/town council precepts*)

(g) Part of the Council's Area

PARISH/TOWN COUNCIL	BAND D £
Baddesley Clinton	186.27
Baginton	179.68
Barford, Sherbourne & Wasperton	197.05
Beausale, Haseley, Honiley & Wroxall	169.41
Bishops Tachbrook	178.15
Bubbenhall	183.14
Budbrooke	176.46
Burton Green	196.30
Bushwood	146.86
Cubbington	178.14
Eathorpe, Hunningham, Offchurch, Wappenbury	180.39
Hatton	158.13
Kenilworth	165.36
Lapworth	165.04
Royal Leamington Spa	165.54
Leek Wootton	161.48
Norton Lindsey	169.96
Old Milverton & Blackdown	184.16
Radford Semele	172.48
Rowington	186.34
Shrewley	161.97
Stoneleigh & Ashow	177.52
Warwick	175.21
Weston-under-Wetherley	184.36
Whitnash	185.74

being the amounts given by adding to the amount at 2.3(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above (3.e) divided in each case by the amount at 2.2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate (*Warwick District Council plus parish/town council Council Tax for each parish/town council at Band D*).

- (h) The amounts shown in Appendices 1 and 1a, attached, being the amounts given by multiplying the amounts at 2.3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (*Warwick District Council plus parish/town council Council Tax for each parish/town council for each Band*).

2.4 **Warwickshire County Council and Warwickshire Police and Crime Commissioner Precepts**

That it be noted that for the year 2015/16 Warwickshire County Council and Warwickshire Police and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below:-

Band	Warwickshire County Council	Warwickshire Police and Crime Commissioner
	£	£
A	800.76	125.4893
B	934.22	146.4042
C	1,067.68	167.32
D	1,201.14	188.23
E	1,468.06	230.06
F	1,734.98	271.89
G	2,001.90	313.72
H	2,402.28	376.47

2.5 **Total Council Tax for the District for each Band in each Parish/Town Council**

That having calculated the aggregate in each case of the amounts at 2.3(g) and 2.4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of council tax for the year 2015/16 for each of the categories of dwellings shown.

3. **Reasons for the Recommendation**

- 3.1 The Executive papers for 11th February 2015, which all members will have received, contain all the background information on the budget at Item 5, "Budget 2015/16 and Council Tax – Revenue and Capital". The recommendations in this report amalgamate the Warwick District Council element of the Council Tax, with Council Tax levels agreed by Warwickshire County Council, Warwickshire Police and Crime Commissioner, and the town/parish councils for 2015/16. With all these constituent parts, the Council should now be in a position to set the overall levels of Council Tax for the District.

4. **Policy Framework**

4.1 **Policy Framework**

Fit for the Future The Budgets within the District Council's Element of the Council Tax are in line with the Corporate Strategy and the Fit for the Future Programme.

Development Plan The Planning Reserve provides for issues relating to planning policy, for example the costs associated with the Local Plan, and associated research, as well as costs arising from Planning Appeals

Food Law Enforcement Service Plan The Revenue Budget approved for 2015/16 contains provision for the associated costs of delivery
The Housing Investment Programme (H.I.P.) The Executive Papers, 11th February 2015, include an appendix detailing how the monies available to fund the H.I.P. will be spent.

4.2 **Fit for the Future**

The Proposed 2015/16 Budgets will support the vision of making Warwick District a great place to live work and visit as set out in the Sustainable Community Strategy. These include those for the 5 key policy priority areas – Prosperity, Housing (in conjunction with the H.R.A. Rent Setting Report, also on this Agenda), Health and Well Being, Community Protection and Sustainability. There is a particular need to outline

This Report provides the (Budget) Money to fund Services, and employ (Staff) People to deliver these Services to the(Customers) People living in the District.

4.3 **Impact Assessments** – This should not directly impact on Equalities

5. **Budgetary Framework**

- 5.1 The whole of the Council's budget is concerned with the financing of its priorities. The formal setting of the tax is the arithmetic and technical process of aggregating the council tax levels set for each band by the County Council and the Police and Crime Commissioner with those required by this Council, including parish/town councils. The Chief Financial Officer reports directly to Council in order that the council tax can be set in accordance with section 30 of the Local Government Finance Act 1992.

6. **Risks**

- 6.1 The main risks from the proposals in respect of this Council's Risks, Controls and Mitigations are outlined in section 6 of the Executive Budget Report..

7. **Alternative Option(s) considered**

- 7.1 The Council does have discretion over its own element of the Council Tax, further information is contained in section 7 of the report in the 11th February Executive papers. However, it has to accept the precepts and associated council tax levels set by Warwickshire County Council, Warwickshire Police and Crime Commissioner and the town/parish councils..

8. **Background**

- 8.1 Report to Executive 11th February 2015 – Budget 2015/16 and Council Tax and Capital
Report to Executive 3rd December 2014 – General Fund Base Budget Report 2015-16 (Executive Item 5)
WCC and WPCC precepts
Parish and town council precepts.

Appendix 1

Budget and Council Tax 2015/16
Calculation of Warwick District Council Element including Special Expenses


PARISH/TOWN COUNCIL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Baddesley Clinton	124.18	144.87	165.57	186.27	227.67	269.06	310.45	372.54
Baginton	119.79	139.75	159.71	179.68	219.61	259.54	299.47	359.36
Barford, Sherbourne & Wasperton	131.37	153.26	175.15	197.05	240.84	284.63	328.42	394.10
Beausale, Haseley, Honiley & Wroxall	112.94	131.76	150.58	169.41	207.06	244.70	282.35	338.82
Bishops Tachbrook	118.77	138.56	158.35	178.15	217.74	257.33	296.92	356.30
Bubbenhall	122.10	142.44	162.79	183.14	223.84	264.53	305.24	366.28
Budbrooke	117.64	137.24	156.85	176.46	215.68	254.89	294.10	352.92
Burton Green	130.87	152.67	174.49	196.30	239.93	283.54	327.17	392.60
Bushwood	97.91	114.22	130.54	146.86	179.50	212.13	244.77	293.72
Cubbington	118.76	138.55	158.34	178.14	217.73	257.31	296.90	356.28
Eathorpe, Hunningham, Offchurch, Wappenbury	120.26	140.30	160.34	180.39	220.48	260.56	300.65	360.78
Hatton	105.42	122.99	140.56	158.13	193.27	228.41	263.55	316.26
Kenilworth	110.24	128.61	146.98	165.36	202.11	238.85	275.60	330.72
Lapworth	110.03	128.36	146.70	165.04	201.72	238.39	275.07	330.08
Royal Leamington Spa	110.36	128.75	147.14	165.54	202.33	239.11	275.90	331.08
Leek Wootton	107.66	125.59	143.54	161.48	197.37	233.25	269.14	322.96
Norton Lindsey	113.31	132.19	151.07	169.96	207.73	245.50	283.27	339.92
Old Milverton & Blackdown	122.78	143.23	163.70	184.16	225.09	266.01	306.94	368.32
Radford Semele	114.99	134.15	153.31	172.48	210.81	249.14	287.47	344.96
Rowington	124.23	144.93	165.63	186.34	227.75	269.16	310.57	372.68
Shrewley	107.98	125.97	143.97	161.97	197.97	233.96	269.95	323.94
Stoneleigh & Ashow	118.35	138.07	157.79	177.52	216.97	256.42	295.87	355.04
Warwick	116.81	136.27	155.74	175.21	214.15	253.08	292.02	350.42
Weston-under-Wetherley	122.91	143.39	163.87	184.36	225.33	266.30	307.27	368.72
Whitnash	123.83	144.46	165.10	185.74	227.02	268.29	309.57	371.48
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Budget and Council Tax 2015/16 District and Parish/Town Council by Band
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	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Warwick District Council	97.91	114.22	130.54	146.86	179.50	212.13	244.77	293.72
PARISH/TOWN COUNCIL								
Baddesley Clinton	26.27	30.65	35.03	39.41	48.17	56.93	65.68	78.82
Baginton	21.88	25.53	29.17	32.82	40.11	47.41	54.70	65.64
Barford, Sherbourne & Wasperton	33.46	39.04	44.61	50.19	61.34	72.50	83.65	100.38
Beausale, Haseley, Honiley & Wroxall	15.03	17.54	20.04	22.55	27.56	32.57	37.58	45.10
Bishops Tachbrook	20.86	24.34	27.81	31.29	38.24	45.20	52.15	62.58
Bubbenhall	24.19	28.22	32.25	36.28	44.34	52.40	60.47	72.56
Budbrooke	19.73	23.02	26.31	29.60	36.18	42.76	49.33	59.20
Burton Green	32.96	38.45	43.95	49.44	60.43	71.41	82.40	98.88
Bushwood								
Cubbington	20.85	24.33	27.80	31.28	38.23	45.18	52.13	62.56
Eathorpe, Hunningham, Offchurch, Wappenbury	22.35	26.08	29.80	33.53	40.98	48.43	55.88	67.06
Hatton	7.51	8.77	10.02	11.27	13.77	16.28	18.78	22.54
Kenilworth	12.33	14.39	16.44	18.50	22.61	26.72	30.83	37.00
Lapworth	12.12	14.14	16.16	18.18	22.22	26.26	30.30	36.36
Royal Leamington Spa	12.45	14.53	16.60	18.68	22.83	26.98	31.13	37.36
Leek Wootton	9.75	11.37	13.00	14.62	17.87	21.12	24.37	29.24
Norton Lindsey	15.40	17.97	20.53	23.10	28.23	33.37	38.50	46.20
Old Milverton & Blackdown	24.87	29.01	33.16	37.30	45.59	53.88	62.17	74.60
Radford Semele	17.08	19.93	22.77	25.62	31.31	37.01	42.70	51.24
Rowington	26.32	30.71	35.09	39.48	48.25	57.03	65.80	78.96
Shrewley	10.07	11.75	13.43	15.11	18.47	21.83	25.18	30.22
Stoneleigh & Ashow	20.44	23.85	27.25	30.66	37.47	44.29	51.10	61.32
Warwick	18.90	22.05	25.20	28.35	34.65	40.95	47.25	56.70
Weston-under-Wetherley	25.00	29.17	33.33	37.50	45.83	54.17	62.50	75.00
Whitnash	25.92	30.24	34.56	38.88	47.52	56.16	64.80	77.76
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

**Council Tax Calculations 2015/16 Warwick District Council
Including Warwickshire County Council And Warwickshire Police and Crime Commissioner**

PARISH/TOWN COUNCIL	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Baddesley Clinton	1,050.43	1,225.49	1,400.57	1,575.64	1,925.79	2,275.93	2,626.07	3,151.29
Baginton	1,046.04	1,220.37	1,394.71	1,569.05	1,917.73	2,266.41	2,615.09	3,138.11
Barford, Sherbourne & Wasperton	1,057.62	1,233.88	1,410.15	1,586.42	1,938.96	2,291.50	2,644.04	3,172.85
Beausale, Haseley, Honiley & Wroxall	1,039.19	1,212.38	1,385.58	1,558.78	1,905.18	2,251.57	2,597.97	3,117.57
Bishops Tachbrook	1,045.02	1,219.18	1,393.35	1,567.52	1,915.86	2,264.20	2,612.54	3,135.05
Bubbenhall	1,048.35	1,223.06	1,397.79	1,572.51	1,921.96	2,271.40	2,620.86	3,145.03
Budbrooke	1,043.89	1,217.86	1,391.85	1,565.83	1,913.80	2,261.76	2,609.72	3,131.67
Burton Green	1,057.12	1,233.29	1,409.49	1,585.67	1,938.05	2,290.41	2,642.79	3,171.35
Bushwood	1,024.16	1,194.84	1,365.54	1,536.23	1,877.62	2,219.00	2,560.39	3,072.47
Cubbington	1,045.01	1,219.17	1,393.34	1,567.51	1,915.85	2,264.18	2,612.52	3,135.03
Eathorpe, Hunningham, Offchurch, Wappenbury	1,046.51	1,220.92	1,395.34	1,569.76	1,918.60	2,267.43	2,616.27	3,139.53
Hatton	1,031.67	1,203.61	1,375.56	1,547.50	1,891.39	2,235.28	2,579.17	3,095.01
Kenilworth	1,036.49	1,209.23	1,381.98	1,554.73	1,900.23	2,245.72	2,591.22	3,109.47
Lapworth	1,036.28	1,208.98	1,381.70	1,554.41	1,899.84	2,245.26	2,590.69	3,108.83
Leamington Spa	1,036.61	1,209.37	1,382.14	1,554.91	1,900.45	2,245.98	2,591.52	3,109.83
Leek Wootton	1,033.91	1,206.21	1,378.54	1,550.85	1,895.49	2,240.12	2,584.76	3,101.71
Norton Lindsey	1,039.56	1,212.81	1,386.07	1,559.33	1,905.85	2,252.37	2,598.89	3,118.67
Old Milverton & Blackdown	1,049.03	1,223.85	1,398.70	1,573.53	1,923.21	2,272.88	2,622.56	3,147.07
Radford Semele	1,041.24	1,214.77	1,388.31	1,561.85	1,908.93	2,256.01	2,603.09	3,123.71
Rowington	1,050.48	1,225.55	1,400.63	1,575.71	1,925.87	2,276.03	2,626.19	3,151.43
Shrewley	1,034.23	1,206.59	1,378.97	1,551.34	1,896.09	2,240.83	2,585.57	3,102.69
Stoneleigh & Ashow	1,044.60	1,218.69	1,392.79	1,566.89	1,915.09	2,263.29	2,611.49	3,133.79
Warwick	1,043.06	1,216.89	1,390.74	1,564.58	1,912.27	2,259.95	2,607.64	3,129.17
Weston-under-Wetherley	1,049.16	1,224.01	1,398.87	1,573.73	1,923.45	2,273.17	2,622.89	3,147.47
Whitnash	1,050.08	1,225.08	1,400.10	1,575.11	1,925.14	2,275.16	2,625.19	3,150.23
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

 Council 25 February 2015		Agenda Item No. 17
Title	Revised Code of Conduct for Warwick District Council	
For further information about this report please contact	Graham Leach 01926 456114 graham.leach@warwickdc.gov.uk	
Wards of the District directly affected	None	
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	Standards Committee 21 January 2015	
Background Papers	Localism Act 2012, first and second Consultation Responses, Minutes and Agendas of the Standards Committee.	

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

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	13/2/2015	Chris Elliott
Head of Service		
CMT		
Section 151 Officer	16/2/2015	Mike Snow
Monitoring Officer	13/2/2015	Andrew Jones
Finance		
Portfolio Holder(s)	16/2/2015	Councillor Mobbs
Consultation & Community Engagement		
<p>All Warwick District Councillors, All Parish & Town Councils in Warwick District, Warwick District Independent Persons and WCC Legal Services have been consulted and the responses received have been considered by the Code of Conduct Working Party.</p> <p>Councillors Pratt and Williams have been consulted as Chairman & Vice Chairman of Standards Committee.</p> <p>Councillors Barrott, Boad and Mrs Falp have been consulted as the current Group Leaders.</p>		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 The report brings forward a revised Code of Conduct, Disclosable Pecuniary Interest Form and Gifts & Hospitality Form for consideration and adoption by this Council.
- 2.2 The report also brings forward proposals for Group Leaders that could be used to emphasise this Council's commitment to appropriate Member behaviour and asks them to report back to the Chief Executive following elections in May 2015.

2. **Recommendation**

- 2.1 The Council approves the Code of Conduct, Disclosable Pecuniary Interest Form and Gift and Hospitality Form, as set out at Appendices 1 to 3, and they be adopted be from 7 May 2015.

- 2.2 The responsibilities for the Standards Committee be amended as follows:

From

"ix. To Advise the Council about the effectiveness of its Constitution, governance arrangements and other matters relevant to assisting the authority with the Annual Governance Statement; including overseeing the Whistleblowing policy, Member/Officer Code of Conduct (when the matter relates to member conduct; the approval and monitoring of the Corporate Complaints Policy);"

To:

"ix To advise the Council on its Members Code of Conduct and Member/Officer Protocol";

- 2.3 The responsibility of the Finance & Audit Scrutiny Committee, be amended, so that under its responsibilities as the Council's Audit Committee, it includes approval of the Annual Governance Statement of this Council.
- 2.4 The Constitution be amended to include explicit reference that the Council is the Parent body of Committees and in very exceptional circumstances the Council can determine matters normally considered by its Committees;
- 2.5 The scheme of delegation be amended to read:
"The Deputy Chief Executive (AJ) & Monitoring Officer, **in consultation with the Chairman of the Standards Committee**, shall have authority to appoint the membership of Standards Sub-Committees (Hearing Panels)";
- 2.6 The Council approves the; continuation of a Joint Standards Committee with all Parish and Town Council's within the District; and the process for appointing the Parish and Town Council representatives to the Committee, as outlined at Appendix 4.
- 2.7 That the Council asks the Monitoring Officer to notify all Parish and Town Councils in Warwick District of this decision and provide template reports and appendices for them to use.
- 2.8 That Council endorses the proposals at paragraph 3.15 and that Group Leaders will be asked to report back to the Chief Executive following the May 2015

elections as to whether their respective Groups are willing to endorse those proposals.

- 2.9 That Council agrees to receive a six-monthly report on Councillor attendance at Council, Executive, Committee and Sub-Committee meetings following the May 2015 elections.

3. **Reasons for the Recommendation**

- 3.1 Following the Standards Committee in September 2014, a second consultation on the proposed Code of Conduct and Associated Arrangements was undertaken. Responses to this consultation were received from:
Warwick District Councillors: Mrs Bromley, Dhillon, Mrs Falp, Mrs Gallagher and Illingworth.
Parish & Town Councils & Councillors: Councillor Mrs Gordon, Norton Lindsey Parish Council, Budbrooke Parish Council, Kenilworth Town Council, Whitnash Town Council and Leek Wootton & Guys Cliffe Parish Council.
- 3.2 In addition to the above, the Code of Conduct Working Party also considered the response from the Department of Communities and Local Government and the Standards in Public Life Committee following the letter from Council to them about the current Standards Regime. They considered the views on these letters expressed by Councillor Mrs Bromley, Councillor Boad, Councillor Gill and Councillor Coker. They also reconsidered the views of Mr Tomkinson (Independent Person) that he had submitted as part of the original consultation.
- 3.3 Following consideration of these responses, by the Code of Conduct Working Party, minor amendments were made to the proposals to ensure they were more consistent and easier to understand. The revised proposals were brought to Standards Committee in January 2015 for consideration.
- 3.4 The Standards Committee approved; the revised procedures for handling complaints about the Conduct of Councillors; asked officers to notify all Parish and Town Councils of this decision and provide template report and appendices for them to use; and determined that an appeals process should not be included within the arrangements because there is no legal requirement for this and the process is sufficiently robust without its inclusion.
- 3.5 The Standards Committee also made the recommendations to Council as set out in recommendations 2.1 to 2.7 above.
- 3.6 The recommended change to the remit of the Committee follows consideration of the Annual Governance Statement in 2014 year where the Standards Committee agreed that in future the Annual Governance Statement should go to Finance and Audit Scrutiny Committee for approval. Officers considered the wider aspects referred to in the Standards Committee remit and the remainder of these aspects are already covered by the responsibilities of; the Executive, Employment Committee, Finance & Audit Scrutiny Committee or Council. Therefore, the amended remit enabled greater clarity on responsibility of functions.
- 3.7 There was significant concern, from all sides of the chamber, when the Council considered the Code of Conduct case regarding Councillor Dhillon. It was agreed by all parties that for the sake of clarity, the recognition of Council as the parent body of all Committees should be included in the Constitution.

- 3.8 The Standards Committee were keen for officers to provide a template report, recommendations and appendices for each Parish and Town Council to consider. This way they would be enabled to have a fully informed debate and discussion on the proposals. This would also reduce the burden of work required by the Clerk to the Councils.
- 3.9 The Standards Committee was pleased with its ability for inclusiveness by being a Joint Committee and therefore allowing Parish and Town Council representatives to have a vote on matters and, if needed, form part of a Hearing Panel. It was on this basis that they brought forward the proposals for a Joint Committee, set out at Appendix 4, to the report. If all Parish & Town Councils did not agree to be a member of the Joint Committee by the end of September 2015, the District Council would proceed with co-opting representatives of the Parish & Town Councils to the Committee. This would remove their ability to vote on decisions of the Committee or sit as voting members of Hearing Panels. This was because to ensure the Committee could act in confidence of a joint Committee, the District Council needed to be able to evidence the agreement to a joint Committee through minutes of the associated Councils. In addition, the aim of a joint Committee was to ensure all parties were represented fairly and if some Councils did not wish to join, the District Council felt, to ensure clarity, it should only proceed with co-option to the Committee.
- 3.10 Members will be aware that since the abolition of the statutory standards regime the options for sanctioning a Member who has fallen short of the required standards of behaviour have been limited. Many Councillors, including many on the Standards Committee, and the Group Leaders have expressed their desire to bolster the sanctions available to give them "more teeth". Indeed, the Council asked the Chairman to write to the Secretary of State For Communities and Local Government (Eric Pickles MP) to express their concerns with the current arrangements. However, the Secretary of State's view is that there is no need to change the arrangements.
- 3.11 It is within this context that the Group Leaders asked the Chief Executive to draw-up proposals (see para 3.15) which, although not having constitutional effect, could be used to emphasise this Council's commitment to appropriate Member behaviour. Having noted the proposals (subject to any amendments), it is the Group Leaders' intention to discuss them with their respective Groups (post-election) and confirm to the Chief Executive whether the Group will be operating in that manner going forward.
- 3.12 Group Leaders have expressed their concern that some Members have sat on the quasi-judicial committees of Planning and Licensing & Regulatory, along with Housing Appeal Review Panels without having attended the necessary training sessions. It is felt that this leaves the Council open to judicial challenge and perhaps more importantly, means that applicants for various permissions and licences are not receiving a fair hearing. Group Leaders have agreed that should training not be attended, then the Councillor will be removed from the Committee, however, Members should note that it is ultimately a Council decision to approve committee membership.
- 3.13 Group Leaders believe that prompt and full attendance should be the norm. Where Members are making important decisions it is essential that they have had the opportunity to listen to all the information that is presented to the Committee. To make a decision without the full information leaves the Council open to judicial challenge and again, does not provide an issue with rounded

consideration. Therefore, Group Leaders consider that where a Councillor arrives at a committee meeting mid-item, they should not vote on this particular issue. Whilst this is very difficult to enforce constitutionally, Group Leaders have committed themselves to addressing the matter through the Group machinery. In addition, Committee Chairman will be reasonably placed for aiding this process and reminding members of this position at meetings, should they arrive part way through an item.

3.14 Members will be well aware that through personal circumstances a number of Members have been unable to attend Council meetings for a significant period. More often than not, Council has granted the relevant Member a dispensation. However, there have also been instances when Councillors have failed to attend meetings over an extended period for no apparent reason and yet continue to claim the Basic Member Allowance. Group Leaders are not satisfied with this situation and whilst they believe that a review of the Allowance scheme should address this issue, they do consider that Member attendance should be published publically on a six-monthly basis.

3.15 Proposed arrangements/Actions

Paragraph	Proposed arrangements/Actions	By who
3.11	Insistence on written confirmation that a Councillor agrees to be bound by the Code of Conduct before the Councillor will be accepted as part of the Group.	Group Leaders
3.11	Suspension from Group where there is a failure to adhere to a Standards Committee decision.	Group Leaders
3.12	Compulsory training for Planning and Regulatory/Licensing Committees and Housing Appeal Review Panels with non-attendance requiring the Group Leader to remove the Member from the relevant Committee (subject to Council endorsement).	Group Leaders & Council
3.13	Late arrival of a Member at a meeting means they will be unable to vote on the item being discussed at the time.	Chairman of Committees with the support of Group Leaders (albeit difficult to enforce)
3.14	Regular updates on the Council website, along with six-monthly reporting to Council and local press of Member attendance.	Officers, endorsed by Council
3.14	Review of Member allowance scheme with a principle that payment should be linked to attendance at both formal Committee meetings and training sessions.	Officers, Group Leaders, Executive

4. **Policy Framework**

4.1 **Policy Framework** – This report does not impact on the Council’s Policy Framework but does seek to amend and update the Council’s Constitution. The Council should be mindful that there is an ongoing review of the Council’s Constitution which has seen an updated Employee Code of Conduct, revised

Council Procedure Rules, revision to the remit and arrangements for Housing Appeal review Panels, updated Code of Procurement Practice and a revised Member officer protocol (which is included on the agenda for this meeting). Work has also started on a revision to the Officer Scheme of Delegation and a further update to the call in procedure. Combined these will bring a more robust Constitution for the Council starting in May 2015.

4.2 **Fit for the Future** – The revised process aims to put in place a robust Code of Conduct which provides a platform for openness and transparency for Members conduct. In addition to this the revised procedures seek to reduce the cost of administering this scheme while improving the process for all parties to make it clearer to understand.

4.3 **Impact Assessments** - There are no significant policy changes contained within this report.

5. **Budgetary Framework**

5.1 The report does not impact on the budgetary framework for the Council and does not impact on the budgets for this service.

6. **Risks**

6.1 The main risks from the proposals are the potential for Parish and Town Councils to adopt their own Code of Conduct because this could cause confusion for Councillors of more than a single authority where they would be required to abide by different, and potentially conflicting, Codes of Conduct at the same time. This would also cause confusion for the wider community.

7. **Alternative Option(s) considered**

7.1 The Council is required to have a Code of Conduct, and robust arrangements for handling Complaints about the Conduct of Councillors, including a Committee for considering these. Therefore, options are limited but members could decide to defer a decision on this matter until after the election or to amend the proposals. Officers do not recommend either of these approaches because the purpose of the review is to ensure that robust arrangements are in place for the new Council. These proposals are built on the outcome of consultation and with support of the Council Solicitor and Monitoring Officer.

7.2 The Council should be mindful that the Parish and Town Councils could adopt a different Code of Conduct, if they so wished, but even if they did this any complaints about the conduct of members would be considered in the process defined by this Council.

8. **Background**

8.1 Following the end of consultation, the Code of Conduct Working Party met on 21 November 2014. The meeting was attended by Councillors Cooke, Pratt and Wilkinson. Apologies for absence were received from Councillor Brookes, Mrs Falp and Mrs Syson.

8.2 The Working Party were generally disappointed with the level of response to the consultation on these important documents and took this as either agreement to the proposals or general state of despair with the ability to enforce any serious sanctions. The Working Party considered all the responses

to the consultation and their responses to these were outlined in their report to Standards Committee in January 2015.

- 8.2 The Working Party received a number of representations regarding the potential for an appeal. While they were confident with their previous position, because they received a suggested procedure they asked for the Councils Solicitor to consider this. The proposed process and response from the Councils Solicitor was considered by the Standards Committee in detail and it was their view that an appeals process should not be included within the arrangements because there is no legal requirement for this and the process is sufficiently robust without its inclusion.
- 8.3 It was suggested that the Grievance procedure should be used by officers for Complaints about the conduct of Councillors, as technically they were employed by the Councillors. This has been checked with HR and the grievance procedure can only be used in matters relating to officer line management.
- 8.4 It was suggested that the arrangements should be deferred to allow the new Council to consider this in May 2015. The Working Party felt it was best to provide the new Council with sound footings because there would be significant pressure on the new Council to look at other prominent projects early after the election. In addition to this, the new Council would need time to learn and understand their new roles. This could then delay the review further when Councillors have already expressed dissatisfaction at the current arrangements.
- 8.5 It was suggested that the Council should not have an Independent Person and that they should not be involved in decisions on Code of Conduct matters. However there is a legal requirement to have an Independent Person and for them to be consulted at specific stages on complaints about Councillors.
- 8.6 The Working Party noted the request to have fixed membership Hearing Panels but remained content with the Monitoring Officer setting these because of the need to ensure each Panel is representative and neutral to the matter. That said, they did agree, and is included as recommendation 2.5, that these should be set in consultation with the Chairman of the Committee and should now be increased to five members (including at least one Parish/Town Council representative).
- 8.7 It was clear from the responses received that some Councillors did not know how to make a complaint about the conduct of an officer. Therefore, this will be built into the training for any new Councillor.
- 8.8 The Standards Committee welcomed the fact that officers were to produce a new log of complaints that provides more detail about the complaint including the actions taken to try and resolve matters at an early stage.
- 8.9 The Standards Committee noted the concern of an individual regarding the potential for multiple complaints about an individual Councillor and how these should be handled. For example, if two complaints of different subject are made about a Councillor and these move to investigation should they be undertaken by the same investigator and should they be subject to a single investigation report or two separate reports. Alternatively, what should happen if multiple complaints are made about the same Councillor relating to the same matter. The Standards Committee were happy for the Monitoring Officer to use discretion on this taking into consideration public interest and natural justice. They also felt that the Monitoring Officer remained the best person to appoint

an Investigator for a complaint because they would be able to determine their independence to each matter.

- 8.10 The Standards Committee were content overall that the emphasis was now on reducing cost within the process and felt it was not in the public interest to have Councillors considering cases to determine if they should proceed for investigation or then to a hearing as well as determining a hearing.
- 8.11 The Standards Committee were of the opinion that the consideration of complaints by the Monitoring Officer, in consultation with the Independent Person, provided a robust and appropriate consideration of a complaint to ensure that trivial complaints were not progressed through the system.
- 8.12 The Standards Committee were satisfied that natural justice is followed for the hearings process and that papers will always be considered, if supplied, when requested. If these are not supplied until the day of the hearing, it will then be at the discretion of the panel as to if they are considered.
- 8.13 The Standards Committee recognised concerns regarding the requirement for Councillors to contribute to training costs and therefore decided an upper limit should be imposed on this of a value of no greater than one months' Members Allowances payment for District Councillors and a maximum of £100 for Parish and Town Councillors.
- 8.14 The Standards Committee were reassured that to date the process for handling unreasonable or unreasonably persistent complaints had not been used. They also accepted that the Council needed to have this in place in case such a matter occurred.
- 8.15 The Standards Committee recognised the expectation of Councillors to be informed when there is a complaint about them. They also expected that Councillors would come and discuss the complaint informally with the Monitoring Officer without question. The Monitoring Officer will ensure that a copy of the complaint is disclosed to the Councillor once this meeting has been completed, so long as to do so may not impact on any potential investigation. However, some information may be redacted to protect third party data, as set out within the data protection act.
- 8.16 The Standards Committee were assured that the arrangements for complaints handling is a matter for the Standards Committee, but that amendments to the code and its associated documents such as DPI form and Gifts is a matter for Council.
- 8.17 The Standards Committee is confident the work is robust and lawful and has been approved by WCC legal as advisors to this Council, therefore it did not need to be written, in the whole, by a Solicitor.
- 8.18 During the consultation on this report two Councillors did ask how the Group Leaders could enforce some of the proposals outlined at 3.15. This would be a matter for Group Leaders to consider after the election, however these proposals were brought forward following consultation with and at the request of Group Leaders.

Warwick District Council Code of Conduct

Part A – General Obligations

As a member or co-opted member of Warwick District Council, I have a responsibility to represent the community and work constructively with our staff and partner organisations to secure better social, economic and environmental outcomes for all.

I recognise that this Code of Conduct will apply at all times when I am acting as a member of Warwick District Council and I recognise that failure to adhere to this Code could result in the issuing of sanctions against me.

In accordance with the Localism Act provisions, when acting in this capacity I am committed to behaving in a manner that is consistent with the following principles to achieve best value for our residents and maintain public confidence in this Authority:

SELFLESSNESS: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS: Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP: Holders of public office should promote and support these principles by leadership and example.

As a Member of Warwick District Council, my conduct will in particular address the principles of the Code of Conduct by:

- Championing the needs of residents – the whole community and in a special way my constituents, including those who did not vote for me - and putting the public interests first.
- Dealing with representations or enquiries from residents, members of our communities and visitors fairly, appropriately and impartially.
- Not allowing other pressures, including the financial interests of myself or others connected to me, to deter me from pursuing constituents' casework, the interests of the Authority or the good governance of the Authority in a proper manner.
- Recognising that all parties are equal and my position is one of privilege and not one that should be used to secure advantage or disadvantage for any party.
- Exercising independent judgement and not compromising my position by placing myself under obligations to outside individuals or organisations who might seek to influence the way I perform my duties as a member/co-opted member of this Authority.
- Listening to and respecting the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective, making decisions on merit and providing reasons for the decisions taken.
- Being accountable for my decisions and co-operating when scrutinised internally and externally, including by local residents.
- Contributing to making this Authority's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding me and other members to account.
- Never disclosing information given to me in confidence by anyone, or information acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, except where:
 - (1) I have the consent of a person authorised to give it;
 - (2) I am required by law to do so; and
 - (3) The disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
 - (4) The disclosure is
 - (a) Reasonable and in the public interest; and
 - (b) Made in good faith and in compliance with the reasonable requirements of the authority.
- Behaving in accordance with all my legal obligations, alongside any requirements contained within this Council's policies, protocols and procedures, including those on the use of the Council's resources (which shall never be for political purposes).
- Valuing and respecting my colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential to good local government.

- Always treating people with respect and acting in a polite and courteous manner, including the organisations and public I engage with and those I work alongside, both officers and fellow Members.
- Providing leadership through behaving in accordance with the principles of this Code when championing the interests of the community with other organisations as well as within this Council.
- Never intimidating or attempting to intimidate, or bully any person.
- Never doing anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Council.
- Accepting that the failure to co-operate in trying to resolve a complaint; the investigation of a complaint; the pre-hearing and hearing process will be a breach of this Code of Conduct.
- The failure to comply with a sanction imposed by the Council, Standards Committee or a Hearing Panel, within the required time period, will in itself be a failure to comply with this Code of Conduct.
- Recognising that by failing to adhere to the Code, I could bring my office or Council into disrepute.

Part B – Disclosable Pecuniary Interests

1 Notification of disclosable pecuniary interests

This part explains the requirements of the Localism Act 2011 (Sections 29-34) in relation to disclosable pecuniary interests. These are enforced by criminal sanction but would also be seen as a breach of the Code of Conduct by the Council.

Within 28 days of becoming a Member or co-opted Member, or becoming aware of any changes to your interests, you must notify the Monitoring Officer of any 'disclosable pecuniary interests'.

A 'disclosable pecuniary interest' is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) within the following descriptions:

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Warwick District Council) made or provided within the 12 months before your declaration of interests (or amendment to your declaration) in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses . This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) and the District Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.

Land, which excludes an easement, servitude, interest or right in or over land which does not carry with it a right for you or your partner (alone or jointly with another) to occupy the land or to receive income	Any beneficial interest in land which is within the area of Warwick District Council.
Licences	Any licence (alone or jointly with others) to occupy land in the area of Warwick District Council for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge)— (a) the landlord is Warwick District Council; and (b) the tenant is a body in which you or your partner has a beneficial interest.
Securities which means, shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000(1) and other securities of any description, other than money deposited with a building society	Any beneficial interest in securities of a body where— (a) that body (to your knowledge) has a place of business or land in the area of Warwick District Council; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

- “the Act” means the Localism Act 2011;
- “director” includes a member of the committee of management of an industrial and provident society;
- “member” includes a co-opted member;

(1) 2000 c. 8.

2 Register of interests

Any interests notified to the Monitoring Officer will be included in the register of interests.

A copy of the register will be available for public inspection, at Riverside House, Royal Leamington Spa and disclosable pecuniary interests will be published on the authority's website.

3 Sensitive interests

Where you consider that disclosure of the details of a disclosable pecuniary interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have a disclosable pecuniary interest, the details of which are withheld under Section 32(2) of the Act.

4 Non participation in the case of disclosable pecuniary interest

- (1) If you are present at a meeting of the Council, Executive, or any committee, sub-committee, joint committee or joint sub-committee, and you have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting, unless you have been granted a dispensation:
 - (a) You may not participate in any discussion of the matter at the meeting and must leave the room for the duration of this item
 - (b) You may not participate in any vote taken on the matter at the meeting.
 - (c) You must disclose the interest to the meeting.
 - (d) If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

Note: Council Procedure rule 36 requires you to leave the room where the meeting is held while any discussion or voting takes place unless you have a dispensation

- (2) Where an Executive member may discharge a function alone and becomes aware of a disclosable pecuniary interest in a matter being dealt with or to be dealt with by them, the Executive member must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter.

5 Dispensations

The Council or the Standards Committee may grant you a dispensation, to consider specific matters for a time set at their discretion, but only in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest. See Part C -7(2) for General Dispensations granted by Council.

6 Offences

It is a criminal offence, under the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 to:

- (1) Fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of election
- (2) Fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register
- (3) Fail to notify the Monitoring Officer within 28 days, of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting
- (4) Participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest without a dispensation
- (5) As an Executive member discharging a function acting alone, and having a disclosable pecuniary interest in such a matter, failing to notify the Monitoring Officer within 28 days of the interest.
- (6) Knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting (unless you have dispensation).

The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a Councillor for up to 5 years.

In addition to the above, this Council would also recognise that the following would amount to a breach of the Code of Conduct:

- Failure to notify the Monitoring officer of any changes to disclosable pecuniary interest within 28 days
- Failure to disclose a disclosable pecuniary interest at a meeting
- Failure to leave the meeting room when an item relating to a disclosable pecuniary interest is discussed

Part C- Other interests

1 Notification of other interests

- (1) Subject to paragraph 4 below, (Sensitive interests), you must, within 28 days of;—
 - (a) this Code being adopted by the Council;
 - (b) your election or appointment to office; or
 - (c) any changes occurring to the declared interest;

notify the Monitoring Officer in writing of the details of your personal interests, falling within Paragraph 2(2) (A) below, for inclusion in the register of interests.

- (2) You must, within 28 days of becoming aware of any new personal interest, notify the Monitoring Officer of the details of that new personal interest.

2 Disclosure of interests

- (1) Where you have a personal interest in any business of the District Council, and where you are aware or ought reasonably to be aware of the existence of the

personal interest, and you attend a meeting of the Council, Executive, any committees or sub-committees or joint committees or sub-committees at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

- (2)
 - (A) You have a personal interest in any business of the District Council where a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a *relevant person* to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected by the decision;
 - (B) In sub-paragraph (2) (A), a *relevant person* is yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners)
 - (C) You have a personal interest in any business of the District Council which relates to any disclosable pecuniary interest you are required to register
- (3) Where you have a personal interest in any business of the District Council which relates to or is likely to affect a relevant person, you need to disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
- (4) Where you have a personal interest in any business of the District Council regarding gifts and hospitality, you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (5) Where you have a personal interest but, by virtue of Paragraph 4, Sensitive interests, information relating to it is not registered in your Authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- (6) Where you have a personal interest in any business of the District Council and you have made an Executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.

3 Register of other interests

Any interests notified to the Monitoring Officer will be included in the register of interests.

A copy of the register will be available for public inspection at Riverside House. Members can ask for their other interests not to be published on the District Council's website.

Where a disclosable pecuniary interest is notified to the Monitoring Officer it need not be separately notified or separately registered as a personal interest.

4 Sensitive interests

Where you consider that disclosure of the details in an interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, if the interest is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.

5 Non participation in case of prejudicial interests

- (1) Where you have a personal interest in any business of the District Council that interest will also be a prejudicial interest if a member of the public with knowledge of the relevant facts would reasonably regard that interest as so significant that it is likely to prejudice your judgement of the public interest **and** that business —
 - (a) affects your financial position or the financial position of a relevant person; or
 - (b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or a relevant person.
- (2) Subject to sub-paragraph (3) and 7 (dispensations) , where you have a prejudicial interest in any business of the District Council—
 - (a) You may not participate in any discussion of the matter at the meeting;
 - (b) You may not participate in any vote taken on the matter at the meeting;
 - (c) If the interest is not registered, you must disclose the interest to the meeting; and
 - (d) If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

Note: Council Procedure Rule 37 requires you to leave the room where the meeting is held while any discussion or voting takes place unless you have a dispensation.

- (3) Where you have a prejudicial interest in any business of the District Council, you may attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise and you leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.
- (4) Where, as a member of the Executive, you may discharge a function alone, and you become aware of a prejudicial interest in a matter being dealt with, or to be dealt with by you, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter, or seek improperly to influence a decision about the matter.

6 Interests arising in relation to overview and scrutiny committees

In any business before an overview and scrutiny committee of the District Council (or of a sub-committee of such a committee) where—

- (a) that business relates to a decision made (whether implemented or not) or action taken by the Executive or another of the District Council's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the Executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken,

In this situation you may only attend a meeting of the overview and scrutiny committee for the purpose of answering questions or giving evidence relating to the business, and you must leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.

7 Dispensations

- (1) The Standards Committee may grant you a dispensation, to participate in full or in part where you have a prejudicial interest. A member must apply for dispensation, in writing to the Monitoring Officer, outlining their personal and prejudicial interest and the reasons why they feel dispensation should be granted.

These will only be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a prejudicial interest.

General Dispensations

- (2) The Council has granted the following dispensation to all members and co-opted members of the Council in respect of both disclosable pecuniary interests and prejudicial interests

Provided you disclose the interest at the meeting you may attend a meeting and vote on a matter where you have a prejudicial or disclosable pecuniary interest that relates to the functions of the District Council in respect of—

- (i) housing, where you or your partner are a tenant of the District Council provided that those functions do not relate particularly to your or your partner's tenancy or lease;
- (ii) school meals or school transport and travelling expenses, where you or your partner are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
- (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you or your partner are in receipt of, or are entitled to the receipt of, such pay;
- (iv) an allowance, payment or indemnity given to members;
- (v) any ceremonial honour given to members; and
- (vi) setting council tax or a precept under the Local Government Finance Act 1992.

8 Gifts & Hospitality

Within 28 days of receipt you must inform the Monitoring Officer of any gift or hospitality received equal to or greater than a value of £25.

This notification will include the details of what was received, what was done with the gift and the date it was received.

Disclosable Pecuniary Interests Form

I,

a Member of Warwick District Council hereby register that I have the following disclosable pecuniary interests (*please state 'None' where appropriate*):

<p>Employment - Employment, office, trade, profession or vocation, carried on for profit or gain by you or your partner</p>
<p>Sponsorship - Any payment or provision of any other financial benefit (other than from the Warwick District Council) made or provided within the 12 months before your declaration of interests or any amended declaration in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses . This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
<p>Contracts - Any contract which is made between you or your partner (or a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest) and the District Council</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

<p>Land - "Land, any beneficial interest in land which is within the area of Warwick District Council, this <u>excludes</u> an easement, servitude, interest or right in or over land which does not carry with it a right for you or your partner (alone or jointly with another) to occupy the land or to receive income</p>
<p>Licences - Any licence (alone or jointly with others) for you or your partner to occupy land in the area of the Warwick District Council for a month or longer.</p>
<p>Corporate tenancies - Any tenancy where (to your knowledge)—</p> <ul style="list-style-type: none"> (a) the landlord is Warwick District Council; and (b) the tenant is a body in which you or your partner has a beneficial interest i.e. a firm or body corporate in which you or your partner is a partner or a director, or in the securities of which you or your partner has a beneficial interest.
<p>Securities - which means, shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society</p> <p>Any beneficial interest in securities of a body held by you or your partner where—</p> <ul style="list-style-type: none"> (a) that body (to your knowledge) has a place of business or land in the area of the Warwick District Council; and (b) either— <ul style="list-style-type: none"> (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you or your partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Other Interests Form

A matter being considered by the Warwick District Council where a decision in relation to that matter might reasonably be regarded as affecting you or a relevant person's well-being or financial position to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected by the decision;

(these are matters which are not already covered by the disclosures above)

I, Councillor..... agree/do not agree that Warwick District Council may publish my other interests form on the District Council's website.

Signed:
Councillor

Date:

RECEIVED: **Signed:**
Monitoring Officer of the District Council

Date:

NOTE: This notification must be given by the Member to the Monitoring Officer of Warwick District Council within 28 days of any changes.

Notification by a Member of Warwick District Council of the Receipt of a Gift or Hospitality over the value of £25.00

I,

a Member of Warwick District Council, give notice that I have received the following gift(s) / hospitality (*delete whichever does not apply*) over the value of £25.00:

(a) *Date(s) of receipt of gift(s) / hospitality*

(b) *Name(s) and address(es) of donor(s)*

(c) *Nature of gift(s) and / or hospitality*

Date:

Signed:

NOTE: This notification must be given by the Member to the Monitoring Officer of Warwick District Council within 28 days of receiving any gift or hospitality over the value of £25.00

Proposals for a Joint Standards Committee & Arrangements for appointment to that Committee

Remit

The responsibilities for the Committee will be as defined by Warwick District Council within its Constitution.

Membership

The Committee shall be no larger than 15 members comprising of:

- 11 Warwick District Councillors
- 2 Representatives of Parish Council's from within Warwick District
- 2 Representatives of Town Council's from within Warwick District

Appointment of Membership

All appointments will be made by Warwick District Council at a meeting of the Council, in line with its procedure rules.

Nominations for the appointments to the Parish & Town Council representative roles will be made as follows.

Nominations will be sought by the District Council for:


- A representative from the rural Parish Councils to the West of the District (as set within the Warwick Rural West Community Forum) with the addition of Burton Green Parish Council)
- A representative from the rural Parish Councils to the east of the District (as set out in the Warwick rural East Community Forum)
- Two representatives from the Four Town Council's within the District (with the provision that the two appointed shall not be from the same authority)

No representative of the Parish & Town Councils can also be a member of either Warwickshire County Council or Warwick District Council.

Any Council can propose a Councillor for any of the above positions.

At the close of nominations all Council's will be written to asking for their preferred and second choice candidate to represent their area. For example Leek Wootton & Guys Cliffe will be asked for their preferred candidate (from those nominated) for the rural West representative and Whitnash Town Council be asked for the same for their two preferred candidates for the Town Council representatives.

The votes received will be reported to Warwick District Council for them to determine who should be appointed.

 Council 25 February 2015		Agenda Item No. 18
Title	Revised Member/Officer Protocol	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	Not applicable	
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	Not applicable	
Background Papers	Other local authorities' member/officer protocols	

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 & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive / CMT	17/2/2015	Chris Elliott / CMT
Section 151 Officer	17/2/2015	Mike Snow
Monitoring Officer	17/2/2015	Andrew Jones
Senior Management Team	17/12/2014	Senior Management Team
Finance	17/2/2015	As Section 151 Officer
Leader of the Council	17/2/2015	Councillor Mobbs
Consultation and Community Engagement		
Standards Committee 21 January 2015 Employment Committee 27 January 2015 Recognised Trades Unions of Warwick District Council January/ February 2015 Constitution Working Party January/February 2015		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **SUMMARY**

- 1.1 The report provides a revised Member/Officer Protocol, the purpose of which is to guide Members and Officers in their relations with one another.
- 1.2 Although the Protocol is largely no more than a written statement of current practice and convention, intending to be neither prescriptive nor comprehensive, it seeks to promote greater clarity and certainty on some of the issues that most commonly arise.

2 **RECOMMENDATION**

- 2.1 That Council adopts the revised Member/Officer Protocol, set out at Appendix 1 to this report.

3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 An up-to-date Member/Officer Protocol is required to guide and support relations between Members and Officers.
- 3.2 The Protocol will help to ensure that Members receive objective and impartial advice and that Officers are protected from any accusations of bias or undue influence from Members.
- 3.3 The revised protocol was considered by both the Standards Committee and Employment Committee during January 2015. The Employment Committee sought a few minor changes to the Protocol to ensure clarity which have been made. Both Committees supported the adoption of the revised protocol.
- 3.4 The recognised Trades Unions within Warwick District Council and the Constitution Working Party, have both been consulted on the revised Protocol via email. Only one comment has been received back in response and this was in support of the Protocol.

4 **POLICY FRAMEWORK**

- 4.1 The Member/Officer Protocol is part of the suite of policies that help to ensure the Council is governed properly.

5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, an effective relationship between Members and Officers helps to ensure that the Authority achieves its objectives economically, efficiently and effectively.

6 **RISKS**

- 6.1 The Council's performance and reputation would suffer if relations between Members and Officers were deficient.

7 **ALTERNATIVE OPTION(S) 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 previous Member/Officer Protocol had been in existence for a number of years and was due for an overhaul.
- 8.2 In reviewing the Protocol a number of other authorities' protocols were examined to determine best practice.

8.3 The revised Protocol seeks to reflect the principles underlying the respective Codes of Conduct that apply to members and officers. Consequently, a breach of the provisions of this Protocol may also constitute a breach of those Codes.

8.4 The Protocol therefore supplements and interprets, but does not override:

- statutory provisions, the code of conduct for members and other codes and guidance;
- the other provisions of the council's own adopted constitution and especially the rules of procedure;
- disciplinary codes that regulate the conduct of officers.

8.5 A relevant extract from the National Code of Local Government Conduct for members is reproduced below:

23. Both councillors and officers are servants of the public and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the council. Their job is to give advice to councillors and the council, and to carry out the council's work under the direction and control of the council, their committees and sub-committees.

24. Mutual respect between councillors and officers is essential to good local government. Close personal familiarity between individual councillors and officers can damage this relationship and prove embarrassing to other councillors and officers.

8.6 In line with the National Code's reference to "mutual respect", it is important that any dealings between members and officers should observe reasonable standards of courtesy and that neither party should seek to take unfair advantage of their position.

8.7 Mutual respect and trust should be founded on The Ten General Principles of Public Life (developed from the Nolan Principles). The principles, which apply equally to Members and Officers, are:

- Selflessness
- Honesty and Integrity
- Objectivity
- Accountability
- Openness
- Personal Judgment
- Respect for Others
- Duty to Uphold the Law
- Stewardship
- Leadership

8.8 The revised Protocol attempts to build on these required standards of conduct and achieve the objective of mutual respect between Members and Officers.

PROTOCOL ON MEMBER/OFFICER RELATIONS

1 INTRODUCTION

- 1.1 The purpose of this Protocol is to guide the Council's Members and Officers in their relations with one another.
- 1.2 Given the variety and complexity of such relations, this Protocol does not seek to be either prescriptive or comprehensive. It seeks simply to offer guidance on some of the issues that most commonly arise. It is intended, however, that the approach that it adopts to these issues will serve as a guide to dealing with other, related, issues.
- 1.3 This Protocol is to a large extent no more than a written statement of current practice and convention. In some respects, however, it seeks to promote greater clarity and certainty.
- 1.4 Following the Protocol will help to ensure that Members receive objective and impartial advice and that Officers are protected from accusations of bias and any undue influence from Members.
- 1.5 This Protocol should be read in conjunction with the Members' and Employees' Codes of Conduct, the Council's Constitution and other relevant guidance that may be issued from time to time.
- 1.6 This Protocol seeks to reflect the principles underlying the respective Codes of Conduct that apply to members and officers. Consequently, a breach of the provisions of this Protocol may also constitute a breach of those Codes.
- 1.7 The Protocol therefore supplements and interprets, but does not supplant:
- ∨ statutory provisions, the Code of Conduct for Members, the Code of Conduct for Employees and other codes and guidance;
 - ∨ the other provisions of the Council's own adopted constitution and especially the rules of procedure;
 - ∨ disciplinary codes that regulate the conduct of Officers.
- 1.8 A relevant extract from the National Code of Local Government Conduct for Members is reproduced below:
23. *Both councillors and officers are servants of the public and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the council. Their job is to give advice to councillors and the council, and to carry out the council's work under the direction and control of the council, their committees and sub-committees.*
24. *Mutual respect between councillors and officers is essential to good local government. Close personal familiarity between individual councillors and officers can damage this relationship and prove embarrassing to other councillors and officers.*

- 1.9 In line with the National Code's reference to "mutual respect", it is important that any dealings between members and officers should observe reasonable standards of courtesy and that neither party should seek to take unfair advantage of their position.
- 1.10 Mutual respect and trust should be founded on The Ten General Principles of Public Life (developed from the Nolan Principles). The principles, applying equally to Members and Officers, are:
- Selflessness
 - Honesty and Integrity
 - Objectivity
 - Accountability
 - Openness
 - Personal Judgment
 - Respect for Others
 - Duty to Uphold the Law
 - Stewardship
 - Leadership

3 THE ROLE OF MEMBERS

- 3.1 Members are elected democratically. It is their policies, ideas and decisions that people vote for. Members agree a policy framework, set the corporate goals and promote the Council in all its work. Members are also the key channels of democratic accountability and Members are the channel for the voices of the people in their wards.
- 3.2 The Council meets as a body when all its Members are summoned to attend a Council meeting. This meeting has ultimate authority over the affairs of the Council, subject only to the law. The Council can delegate authority to the Executive, committees and sub-committees of Members (and co-opted members in some circumstances) and to Officers. When Members meet as the Executive, a committee or sub-committee they can take decisions and act on behalf of the Council, within that body's terms of reference and delegated powers, again subject only to the law.
- 3.3 Members will also be involved in a variety of less formal meetings, correspondence and discussions with other Members, Officers and people outside the Council, to help the Council develop policies and deliver services.
- 3.4 As a Member attending a meeting of Council, the Executive, or of a committee or sub-committee, or in less formal settings, Members will have a variety of roles:
- The policy making role – deciding the broad direction of Council policy
 - The executive role – deciding how those policies are to be delivered in practice
 - The scrutiny role – holding Executive and Officers to account for their decisions and actions
 - The ward member role – representing the interests of individual residents or residents' groups within their ward, in the overall public interest.

- 3.5 Members will be involved in individual staffing matters only if they are a member of a committee or panel set up for that purpose. This may include being part of an appeals process or in the case of the Chief Executive and other senior officers in the appointment process.
- 3.6 In other circumstances, however, Members must not become embroiled in the management of the Council (such as officer-related disciplinary, capability or grievance processes). They must not engage in activities that might undermine the management line of command or adherence to Council HR procedures, or try to influence the recruitment process.

4 **THE ROLE OF OFFICERS**

- 4.1 Officers can also have a variety of roles:

They are responsible for the operational management of the Council. They advise Members to help them to take decisions in the Executive, committee, sub-committee and Council.

Some Officers have personal statutory powers and duties, for example, the Officers designated as Head of Paid Service (Chief Executive), Chief Finance Officer (Head of Finance and the Monitoring Officer (Head of Members' Services and Monitoring Officer.

The Council has given delegated powers to the Chief Executive, Deputy Chief Executives and other Officers so that they can act and take decisions on behalf of the Council in many areas, provided that they follow the rules of delegation and that Members have access to their decisions.

The Council is a large organisation, and Officers have a role to play within the organisation itself.

- 4.2 Officers' roles have two dimensions. Some Officers have professional skills relevant to a particular organisational task. Others have managerial responsibility primarily. Many Officers have elements of both in their job.
- 4.3 Officers should expect to have the opportunity to give 'honest advice' and to have their professional integrity respected (e.g. not to be required to make recommendations they cannot support professionally) and the chance to explain what may appear to be a shortcoming in performance.
- 4.4 In addition Members and Officers must understand there is a clear and acceptable division of responsibilities regarding policy and implementation. It is the duty of Officers to manage the implementation of policy, in agreement with Members.
- 4.5 Officers serve the Council through its committees and other Council bodies. They work to the instructions of their Head of Service or the Chief Executive - not individual Members of the Council, whatever office the Member might hold.

4.6 Officers should:

- a. Pursue every known lawful policy of the Council
- b. Implement the decisions of Council, the Executive, committees and sub-committees
- c. Inform Members through their head of service of any decision that they cannot fully implement and the reasons for this
- d. Be helpful and respectful to Members
- e. Behave in a professional manner
- f. Serve all members, not just those of the administration group(s)
- g. Maintain confidentiality
- h. Deal with Member enquiries efficiently
- i. Strive continually to comply with the Council's performance management and scrutiny processes
- j. Support Members in their role as ward Councillors

4.7 Officers must not raise directly with Members, either acting independently or on behalf of others, any personal matter to do with their jobs, or relating to any potential appointment within the Authority. Formal procedures have been agreed with the trade unions for dealing with such issues.

5 OFFICER SUPPORT TO MEMBERS AND PARTY GROUPS

5.1 It must be recognised by all Officers and Members that in discharging their duties and responsibilities, Officers serve the Council as a whole and not any political group, combination of groups or any individual Member of the Council.

5.2 There is statutory recognition for party groups and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of such matters being considered by the relevant Council decision making body.

5.3 Officers may properly be called upon to support and contribute to such deliberations by party groups but must at all times maintain political neutrality. All Officers must, in their dealings with political groups and individual Members, treat them in a fair and even-handed manner.

5.4 The support provided by Officers can take many forms. Whilst in practice such Officer support is likely to be in most demand from whichever party group is in control of the Council, such support is available to all party groups.

5.5 Certain points must, however, be clearly understood by all those participating in this type of process, Members and Officers alike. In particular:

- a. Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of party business. The observance of this distinction will be assisted if Officers are not present at meetings or parts of meetings, when matters of party business are to be discussed;
- b. party group meetings, whilst they form part of the preliminaries to Council decision making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings do not

therefore rank as Council decisions and it is essential that they are not interpreted or acted upon as such; and

- c. similarly, where Officers provide information and advice to a party group meeting in relation to a matter of Council business, this cannot act as a substitute for providing all necessary information and advice to the relevant Committee or Sub-Committee when the matter in question is considered.
- 5.6 Special care needs to be exercised whenever Officers are involved in providing information and advice to a party group meeting that includes persons who are not Members of the Council. Such persons are not bound by the National Code of Local Government Conduct (in particular, the provisions concerning the declaration of interests and confidentiality) and, for this and other reasons, Officers may not attend and/or give advice to such meetings.
 - 5.7 Officers must respect the confidentiality of any party group discussions at which they are present in the sense that they should not relay the content of any such discussion to another party group.
 - 5.8 Whilst any Member may ask a relevant senior manager for written factual information about a service, such requests must be reasonable. Requests will be met subject to any overriding legal considerations or if the recipient of any request considers the cost of providing the information requested or the nature of the request to be unreasonable. If a Member requesting such information is dissatisfied by such a response, they should raise the matter in the first place with the relevant head of service and, if still dissatisfied, should raise the matter with the Chief Executive who will discuss the issue with the relevant Group Leader(s) and relevant Portfolio Holder(s), as appropriate.
 - 5.9 Officers should ensure that any information supplied does not contain any personal information (within the meaning of the Data Protection Act 1998) relating to individual employees such as salary, grade, Trade Union affiliation etc.
 - 5.10 Requests for personal information about specific employees or where the group of employees is so small that individual employees personal details are likely to be revealed should only be considered where a Member has a demonstrable need for such detailed personal information in order to carry out the business of the Council and they could not carry out that business without the information being supplied in a redacted form. Any such request must be properly justified.
 - 5.11 All information held by the Council, in whatever form, is confidential to the Council unless and until such confidentiality is waived by the Proper Officer and subject to the requirements of the Data Protection Act 1998. Officers and elected Members are responsible for ensuring that personal information and data is only handled and processed in accordance with the provisions of the Act and to familiarise themselves with their obligations under the Act accordingly. Officers or Members who require advice or assistance in relation to their duties under the Data Protection Act 1998 should take advice from the Monitoring Officer or the Council's legal service as appropriate.

- 5.12 In relation to budget proposals:
- a. the Administration shall be entitled to confidential information/discussions with Officers regarding options and proposals. These will remain confidential until determined by the Administration or until published in advance of Committee / Council meetings, whichever is the earlier; and
 - b. the opposition groups shall also be entitled to confidential information/discussions with Officers to enable them to formulate alternative budget proposals. These will remain confidential until determined by the respective opposition groups or until published in advance of Committee/Council meetings, whichever is the earlier.
- 5.13 As part of the Budget process, Officers may be called upon to give advice on budgetary proposals, wherever they may emanate from (once political confidentiality has been lifted). This is in addition to the "normal" rights that any member has to seek advice "in confidence" from Officers.
- 5.14 In addition, Officers may feel it appropriate to offer advice to individuals, groups or all Members. In doing so, they should be aware of the need to remain impartial. It is appropriate and indeed, in certain circumstances, necessary that as a matter of professional judgement, if a proposed course of action is imprudent, Officers should advise the Members of the Authority that this is so. It would, however, be for the Officer to decide how and when to do so. This is without prejudice to issues of legality and financial administration which are covered by specific duties placed on the Chief Financial Officer and Monitoring Officer.
- 5.15 Members should consider, when attending a meeting, whether or not minutes should be taken and/or an officer should be present. It is a matter for Members' judgement whether this is necessary, but factors such as whether any commitment is likely to be given on behalf of the Council and/or whether any complex financial, legal or procurement issues may be discussed will be relevant in deciding that. In such situations, Members are generally recommended to have an officer present and to ensure that contemporaneous minutes are taken and, where appropriate, shared with the other parties present to ensure that an accurate record is maintained. It will, however, be a case of judgement on each and every occasion as to how and when this principle is applied.
- 5.16 It must not be assumed by any party group or Member that any Officer is supportive of any policy or strategy developed because of that Officer's assistance in the formulation of that policy or strategy.
- 5.17 Any particular cases of difficulty or uncertainty in this area of Officer advice to party groups should be raised with the Chief Executive who will discuss them with the relevant group leader(s).
- 5.18 It is clearly important that there should be a close working relationship between Members serving on committees (including the Executive) and the Officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officer's ability to deal impartially with other Members and other party groups.

6 OFFICER SUPPORT TO MEMBERS ON EXECUTIVE AND ON SCRUTINY COMMITTEES

- 6.1 Officer support to Members serving on the Executive and on Scrutiny Committees should adhere to certain principles and standards regardless of which body the Member is serving on. In both cases Officers are expected:
- a. to maintain political impartiality at all times when commenting on the Council's policies and actions;
 - b. to be prepared to explain and justify advice given to Members and to justify decisions they themselves have taken under the Scheme of Delegation;
 - c. to ensure that an Officer of sufficient seniority appears before the relevant meeting in the light of the topics under discussion;
 - d. to provide information in a comprehensive and timely fashion;
 - e. to respond to questions from Members in an open, constructive and helpful manner;
 - f. not to mislead or be economical with the truth.
- 6.2 There are some aspects of Officer support, however, that are more relevant to either the Executive or Scrutiny Committees. Taking each in turn:

Executive

- 6.3 It is clearly important that there should be a close working relationship between Members serving on the Executive and the Officers who support and/or interact with them. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officer's ability to deal impartially with other Members and other party groups.
- 6.4 Whilst Executive Members will routinely be consulted as part of the process of drawing up proposals for consideration or the agenda for a forthcoming meeting, it must be recognised that in some situations an Officer will be under a professional duty to submit a report. Similarly, a Head of Service or other senior Officer will always be fully responsible for the contents of any report submitted in his/her name. This means that any such report will be amended only where the amendment reflects the professional judgement of the author of the report. This is to be distinguished from a situation where there is a value judgement to be made. Any issues arising between an Executive Member and a Head of Service in this area should be referred to the Chief Executive for resolution in conjunction with the Leader of the Council.
- 6.5 Members serving on the Executive have wide ranging leadership roles. They will:
- a. lead the preparation of the Council's policies and budget;
 - b. take in-year decisions on resources and priorities, together with other stakeholders and partners in the local community, to deliver and implement the budget and policies decided by the Full Council; and

- c. be the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 6.6 Where functions that are the responsibility of the Executive are delegated to Officers or other structures outside the Executive, the Executive will nevertheless remain accountable to the Council, through the Scrutiny Committees, for the discharge of those functions. That is to say, the Executive will be held to account for both its decision to delegate a function and the way that the function is being carried out.
- 6.7 Under Executive Arrangements, individual Members of the Executive are allowed to formally take decisions. Members serving on the Executive must satisfy themselves that they are clear what exactly they can and cannot do.
- 6.8 The Council has mechanisms and protocols that ensure that (as with the Council and its Committees) an individual Executive Member seeks advice from relevant Officers before taking a decision within her or his delegated authority. This includes taking legal advice, financial advice and professional officer advice (particularly about contractual matters) as well as consulting the Monitoring Officer where there is doubt about the extent of legal authority.
- 6.9 Members also need to comply with the Code of Financial Practice and Code of Procurement Practice when they are directly involved in procurement exercises, particularly in discussions with potential and/or actual tenderers.
- 6.10 Decisions taking by individual Members of the Executive give rise to legal and financial obligations in the same way as decisions taken collectively. Therefore, Members of the Executive should always be aware of legal and financial liabilities (consulting the Monitoring Officer and Chief Financial Officer as appropriate) that will arise from their decisions. To ensure effective leadership for the Council and the community it serves, there are arrangements to ensure co-ordination of and sharing responsibility for Executive decisions including those made by individuals.
- 6.11 Officers will continue to work for and serve the Local Authority as a whole. Nevertheless, as the majority of functions will be the responsibility of the Executive, it is likely that in practice many Officers will be working to the Executive for most of their time. The Executive must respect the political neutrality of Officers. Officers must ensure that, at all times, their political neutrality is not compromised.
- 6.12 In organising support for the Executive, there is potential for tension between Officers and Members of the Executive with portfolios. All Members and Officers need to be constantly aware of the possibility of such tensions arising and both Officers and Members need to work together to avoid such tensions, whether real or perceived.

Scrutiny Committees

- 6.13 Scrutiny Committees are an important element of the Council's arrangements. It is not, however, a Scrutiny Committee's role to act as a Disciplinary tribunal in relation to the actions of Members or Officers. Neither is it the role of Officers to become involved in what would amount to disciplinary investigations on a Panel's behalf. This is the Chief Executive's function alone in relation to staff and the Monitoring Officer's and the Standards Committee as regards the conduct of Members. This means:
- a. A Scrutiny Committee's questioning should not be directed to the conduct of individuals, not in the sense of establishing the facts about what occurred in the making of decisions or implementing of Council policies, but with the implication of allocating criticism or blame;
 - b. in these circumstances, it is for the Chief Executive to institute a formal enquiry, and a Scrutiny Committee may ask (but not require) him to do so.
- 6.14 Scrutiny Committees should not act as a "court of appeal" against decisions or to pursue complaints by individuals (Councillors, Officers or members of the public) as other procedures exist for this. These are internal, e.g. the Corporate Complaints Procedure, and external/statutory, e.g. Local Government Ombudsman or appeal to the Courts. That said, Scrutiny Committees may:
- a. investigate the manner in which decisions are made but should not pass judgements on the merits of a decision in individual cases;
 - b. comment on the merits of a particular policy affecting individuals.
- 6.15 It would be unfair to invite someone to appear at a Scrutiny Committee without telling them in general terms what they will be asked and without giving them adequate time to prepare. Scrutiny Committees ought to provide written questions, or at least "indicative topics", beforehand, so that the answers can form the basis of the questioning and discussion. In addition, speakers ought to be told the general line that further questioning is likely to take. Questioning should not stray outside the subject area that the Panel had previously indicated.
- 6.16 The way in which Scrutiny Committee Members probe Officers should be influenced by the level of seniority of the Officers present – accordingly when calling Officers to give evidence, Members should consider the level of the Officer they wish to have before them in the light of the line of questioning they wish to follow.
- 6.17 Officers may be asked to give a professional opinion, including presenting alternative options. Officers may not confine themselves solely to justifying either the position of or the advice that they gave to the Executive although, in giving options, it is to be expected that they will explain the rationale for the advice they gave.
- 6.18 It is appropriate for Members of Scrutiny Committees to ask Officers to explain and justify advice given to Members, whether on the Executive or otherwise, prior to decisions being taken, and to justify decisions that Officers have taken under delegated powers.

7 SUPPORT SERVICES TO MEMBERS AND PARTY GROUPS

- 7.1 Support services (e.g. stationery, typing, printing, photocopying) to Members must only be used on Council business. They should never be used in connection with party political or campaigning activity or for private purposes.

8 MEMBERS' ACCESS TO INFORMATION AND TO COUNCIL DOCUMENTS

- 8.1 Members have the ability to ask for information pursuant to their legal rights to information. This right extends to such information, explanation and advice as they may reasonably need in order to assist them in discharging their role as a Member of the Council. This can range from a request for general information about some aspect of the Council's activities to a request for specific information on behalf of a constituent. Such approaches should normally be directed to the Head of Service or another senior Officer of the Division concerned.
- 8.2 As regards the legal rights of Members to inspect Council documents, these are covered partly by statute and partly by the common law.
- 8.3 The law concerning access to information is complex, with the following pieces of legislation applying:
- The Access to Information provisions of the Local Government Act 1972
 - The Data Protection Act 1998
 - The Local Government Act 2000
 - The Freedom of Information Act 2000

The Freedom of Information Act has probably the greatest impact, potentially providing Members with a single route through which to obtain information in support of their work, whatever their role within the Authority.

- 8.4 Any Council information provided to a Member is deemed to be information provided in confidence; it is subject to the protections afforded by the Data Protection Act 1998 and must only be used by the Member for the purpose for which it was provided, i.e. in connection with the proper performance of the Member's duties as a Member of the Council. Therefore, for example, early drafts of Committee reports / briefing papers are not suitable for public disclosure and should not be used other than for the purpose for which they were supplied.
- 8.5 Failure to observe this obligation or disclosure of confidential information may amount to a breach of the Code of Conduct. Failure to safeguard and protect the confidentiality of personal information within the meaning of the Data Protection Act 1998 may result in prosecution of the Authority and/or any individual Officer or Member by the Information Commissioner and the imposition of significant monetary penalties.
- 8.6 Any Member request for personal information or personal data about an individual employee (rather than a general group of employees as a whole) should only be supplied where there is a demonstrable need for that Member to have the information at that level of detail in order to carry out their duties as a Member of the Council. Any such requests should be referred to and considered

by the Head of HR who may, if necessary, refer the request to the Monitoring Officer.

- 8.7 In cases where such information is to be released, the Head of HR will specifically remind the Member that the information is confidential, subject to the protection of the Data Protection Act 1998 and confirm the necessary measures for handling that data in order to keep it confidential and ensure that it is not further disclosed to any other person or body either within or external to the Council.

9 CORRESPONDENCE AND ADVICE

- 9.1 Members seeking advice from officers shall be entitled to assume that such advice is given under "Chatham House rules" in terms of disclosure to other Members, unless otherwise agreed with the officer(s) concerned.
- 9.2 Correspondence between an individual Member and an Officer should not normally be copied (by the Officer) to any other Member. In other words, a system of "silent copies" should not be employed.
- 9.3 Official letters on behalf of the Council should normally be sent in the name of the appropriate Officer, rather than in the name of a Member. It may be appropriate in certain limited circumstances (e.g. representations to a Government Minister) for a letter to appear in the name of an Executive Member or the Leader of the Council or the Leaders of all political groups represented on the Council by agreement, but this should be the exception rather than the norm. Letters that, for example, create legal obligations or give instructions on behalf of the Council should never be sent out in the name of a Member, Executive or otherwise.
- 9.4 Officers responding to members' queries should do so in a timely manner, and in accordance with the agreed standards for replying to letters and emails from Members; namely:
- a. Members will receive an acknowledgement within two working days of the date of the enquiry, to include the name and contact details of the officer dealing with the enquiry (subject to leave, etc);
 - b. a response will be given as soon as possible but not later than 10 working days of the date of the enquiry. If it is not possible to give a detailed response within 10 working days, the councillor should be informed within that period of the date by which they can expect to receive the information requested and be given a reason for the delay
- 9.5 Democratic Services provides an alternative route whereby Members may make enquiries or request information from officers within the Authority. Any Member may pass an enquiry to Democratic Services who will then refer it to the appropriate officer and follow it up as necessary. Members can expect to be updated as to progress by the officer responsible for replying to the request.

10 PUBLICITY AND PRESS RELEASES

- 10.1 Local authorities are accountable to their electorate. Accountability requires local understanding. This will be promoted by the Authority, explaining its objectives and policies to the electors and rate-payers. In recent years, all local authorities have used publicity to keep increasingly the public informed and to encourage public participation. Every council needs to tell the public about the services it provides. Increasingly, local authorities see this task as an essential part of providing services. Good, effective, publicity aimed to improve public awareness of a council's activities is, in the words of the Government, to be welcomed.
- 10.2 Publicity is, however, a sensitive matter in any political environment because of the impact it can have. Expenditure on publicity can be significant. It is essential, therefore, to ensure that local authority decisions on publicity are properly made in accordance with clear principles of good practice. The Government has issued a Code of Recommended Practice on Local Authority Publicity that provides guidance on the subject and that should be complied with.
- 10.3 Particular care should be paid to any publicity used by the Council around the time of an election. Advice will be given on this by the Monitoring Officer.

11 ALLEGATIONS OF MEMBER OR OFFICER MISCONDUCT

- 11.1 In a situation where a Member identifies that an Officer may have committed a breach of the Council's disciplinary rules and procedures, they should draw the issue to the attention of the Chief Executive who, following consultation with the Council's Monitoring Officer, will ensure an appropriate investigation.
- 11.2 In respect of an Officer who believes a Member has breached the Members' Code of Conduct, they should:
- a. not offer any opinion or judgement upon that conduct to the Member;
 - b. they must advise the Monitoring Officer immediately of the circumstances, facts, their belief and the rationale behind it, including supplying all and any documentation; and
 - c. they should not comment further on the issue to any other Officer or Member without the prior consent of the Monitoring Officer.

These provisions are to protect both the Member and Officer, avoid Officers from becoming unduly involved in allegations of Member misconduct at an inappropriate level and to ensure that any investigation that may need to be carried out by the Monitoring Officer or other agency, is not compromised in any way.

- 11.3 Any complaints made regarding the alleged conduct of Councillors will be dealt with in accordance with the Council's agreed arrangements for handling complaints.
- 11.4 The Monitoring Officer will investigate allegations of fraud or criminal misconduct against Members. They may investigate other allegations of misconduct against Councillors, but only if:

- a. the matter affects the business of the Council or its reputation; and
- b. it is proper for the Monitoring Officer to investigate.

11.5 Some issues are matters of party discipline. Even if the allegations were proved, there may be no action or sanction that the Council can apply. Normally such matters must be investigated by the party itself. The Monitoring Officer will refer the matter to the group leader.

11.6 The Monitoring Officer:

- a. will investigate any matters which are properly raised with them;
- b. will always inform the Councillor who is the subject of the allegations - unless this would prejudice the investigation;
- c. has no obligation to report the findings to the Councillor making the allegation but is responsible for satisfying the Councillor that appropriate action has been taken; and
- d. has a duty to take whatever action they think fit as a result of the investigation, in accordance with their statutory duties.

11.7 Investigations will be subject to supervision by and report to the Standards Committee of the Council or any equivalent body.

11.8 Where the allegation is within the terms of reference of the Council's auditors, the police, the matter will be referred to them.

12 CONCLUSION

12.1 Straightforward respect and consideration between Members and Officers provide the greatest safeguard of the integrity of the Council.

13 APPROVAL / DISTRIBUTION / CLARIFICATION

13.1 This version was approved by the Council as part of the Constitution in (*to be completed*).

13.2 Copies of the Protocol will be issued to all Members as part of the Constitution upon election.

13.3 Questions of interpretation of this Protocol will be determined by the Chief Executive in consultation with the Monitoring Officer.