

Council meeting: Wednesday, 26 February 2020

Notice is hereby given that an ordinary meeting of Warwick District Council will be held at the Town Hall, Royal Leamington Spa on Wednesday, 26 February 2020 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 held on 20 November 2019. **(Pages 1 to 6)**

4. **Communications and Announcements**
5. **Petitions**
6. **Notices of Motion**
7. **Public Submissions**
8. **Leader's and Portfolio Holders' Statements**
9. **Questions to the Leader of the Council & Portfolio Holders**

10. **Appointments**

To consider the following:

- (1) to appoint Councillor Grey to the Licensing & Regulatory Committee;
- (2) to replace Councillor Jacques on Finance & Audit Scrutiny Committee with Councillor Grey;
- (3) to appoint Councillor Jacques on Overview & Scrutiny Committee;
- (4) to appoint Councillor Grey to Standards Committee;
- (5) Councillor Jacques to be appointed to Planning Committee;
- (6) Councillor Grey to be appointed as substitute for Planning Committee and Overview & Scrutiny Committee; and
- (7) to appoint Councillor Jacques as a substitute for Finance & Audit Scrutiny Committee.

11. **Setting of the Council Tax 2020/21**

To consider:

- (a) the recommendations from the meeting of the Executive held on 12 February 2020 in Minute 107, **(To follow)**; and
- (b) the report of the Responsible Financial Officer **(To follow)**

12. **Housing Rents and Housing Revenue Account Budget 2020/21**

To consider the recommendations from the meeting of the Executive held on 12 February 2020 in Minute 108. **(To follow)**

13. **Executive Report**

To consider a report of the

- (a) 18 December 2019 Executive meeting
- (b) 12 February 2020 Executive meeting

(Pages 1 to 23)
(To follow)

14. **Employment Committee Report**

To consider the Employment Committee report of 10 December 2019.

(Pages 1 to 32)

15. **Public & Press**

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

16. **Confidential Executive Report**

To consider a report of the

- (a) 18 December 2019 Executive meeting
- (b) 12 February 2020 Executive meeting

(Pages 1 to 7)
(To follow)

(Not for publication)

17. **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 18 February 2020

For enquiries about this meeting please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.
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Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

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

WARWICK DISTRICT COUNCIL

Draft minutes of the meeting held on Wednesday 20 November 2019, at the Town Hall, Royal Leamington Spa at 6.05pm, which will be considered by Council on 26 February 2020.

PRESENT: Councillor Illingworth (Chairman); Councillors Ashford, Bartlett, Boad, Cooke, Cullinan, Davison, Day, J Dearing, K Dickson, R Dickson, Falp, B Gifford, C Gifford, Grainger, Hales, Heath, Jacques, Kennedy, Kohler, Leigh-Hunt, Luckhurst, Mangat, Margrave, Matecki, Milton, Morris, Murphy, Nicholls, Noone, Norris, Redford, Rhead, Roberts, Russell, Syson, Tracey, Weber and Wright.

36. **Apologies for Absence**

Apologies for absence were received from Councillors; A Dearing, Evans, Skinner and Tangri.

37. **Declarations of Interest**

Minute 43 – Excerpt of Executive report of 13 November 2019

Councillors Falp, Heath and Margrave declared an interest because it concerned Whitnash Community Centre and they were Whitnash Town Councillors. They all left the room during the discussion on this specific minute.

38. **Minutes**

The Minutes of the meeting of the Council held on the 4 September 2019 were proposed by Councillor Day, duly seconded by Councillor Read and signed by the Chairman as a correct record.

39. **Communications and Announcements**

The Chairman informed Council that:

- since the last meeting, Heather Calver had resigned for health reasons and he offered the thoughts of the Council to her and her husband at this time;
- Councillor Daniel Russell had been elected on 29 October 2019 to replace Heather Calver and took the opportunity to welcome him to the Council;
- Suki Sanghera was no longer a member of the Council and there would be a by-election to replace him on 12 December 2019;
- since the last meeting, he had attended a number of Parish Council meetings, as well as a number of properties as part of the Heritage Open Days;
- the recording facility for the Council Chamber PA system was no longer operational and therefore meetings could not be recorded until the replacement PA was introduced; and
- there was no business for the Council to consider under Items 5 - Petitions, 6 - Notices of Motion or 7 - Public Submissions.

At the invitation of the Chairman, Councillor Davison explained that Councillor Evans had attended the meeting of Finance & Audit Scrutiny Committee on 12 November 2019 and therefore Agenda Item 12 would not be proposed.

40. **Leader's & Portfolio Holders' Statements**

The Portfolio Holder for Development Services, Councillor Cooke, informed Council that over £200,000 of Community Infrastructure Levy had been distributed to Town & Parish Councils within the District. The design work for Bath Street was now underway thanks to CIL funding and Warwickshire County Council Cabinet had approved £4.7million funding for the Kenilworth to Leamington Cycle Way, including a new bridge over the River Avon.

The Portfolio Holder for Environment & Business, Councillor Rhead, informed Council that:

- (1) following on from the work of Barford Parish Council, three further Parishes were considering how they could start their journey to become carbon neutral;
- (2) the Climate Change action plan had been approved and it encouraged Councillors to look at all opportunities to take the plan forward;
- (3) in respect of procurement, a contract award criteria for major contracts of 30% on environmental credentials had been introduced; and
- (4) a meeting had taken place with other District/Boroughs in Warwickshire and Warwickshire County Council to consider how to work together on the climate change agenda.

The Portfolio Holder for Health & Community Protection, Councillor Falp, informed Council that:

- (1) Health Scrutiny Sub-Committee had considered the draft Air Quality Management Report, with the main headline that the particulate levels in the air had decreased; and
- (2) Overview & Scrutiny Committee had considered the annual report in respect of crime and disorder, which detailed that Anti-Social Behaviour (ASB) was at its lowest level since 1998, that first intervention had resolved 89% success rate for ASB cases and that the information in detail could be made public from 27 November 2019.

The Portfolio Holder for Culture, Councillor Grainger, informed Council that:

- (1) The Humans of Leamington exhibition would return to the Leamington Art Gallery from 26 November to 5 December 2019; and
- (2) On 23 November 2019 would be the official opening of Warwick parkrun at Warwick Racecourse, starting at 8.45am.

The Portfolio Holder for Finance, Councillor Hales, informed Council that:

- (1) a report would be brought to Executive in December that sought to revise the Rural/Urban Capital Initiatives Scheme criteria to take into consideration environmental criteria; and
- (2) he was due to hold a meeting with the fund manager to consider sustainable investment.

The Portfolio Holder for Neighbourhood Services, Councillor Norris, informed Council that:

- (1) the tender for the major contracts was being developed following the Members' briefing on Monday 18 November 2019;
- (2) the formal consultation on Tach Brook country park would start soon;
- (3) the formal consultation on Newbold Comyn was now closed and had received 3,500 responses, with most responses coming from those over 25 and the cross party member working party would now develop a master plan which would be followed with further consultation in 2020;
- (4) consultation had started on the Abbey Fields master plan;

- (5) new car parking meters had been installed in all service car parks to enable payment by card;
- (6) the play equipment renewal programme was now progressing; and
- (7) the rangers now had a second electric vehicle replacing the large 4x4 diesel powered vehicles.

The Leader of the Council, Councillor Day, took the opportunity to:

- (1) welcome Councillor Russell to the Council;
- (2) inform Members that the following week was national tree week and next year, this would form a key part in the ambition to plant over 160,000 trees in the District. Officers had spoken with the Woodlands Trust, Severn Trent, the National Farmers Union and Warwick Tree Wardens. There had also been a number of potential grant funding opportunities identified and as a result, an innovative business plan was being developed; and
- (3) the deadline to register to vote for the general election was 26 November 2019.

(Councillor Noone arrived during this item.)

41. **Questions to the Leader of the Council & Portfolio Holders**

Councillor Kohler asked if the Portfolio Holder for Environment & Business had considered the opportunity of hydrogen fuel cell power rather than through electricity/battery storage as used by other service providers, for example, buses in London.

In response, Councillor Rhead agreed that there could be opportunities for use on public service vehicles as part of the major contract renewal and asked for details to be passed on.

Councillor Gifford asked the Portfolio Holder for Culture, if they had congratulated the Leamington Art Gallery team for the work they undertook, overnight, to protect the Pump Rooms and its contents from flooding.

In response, Councillor Grainger agreed that the team should be congratulated and as a precautionary measure, the team would install the flood protection barriers each evening as a matter of course.

Councillor Kennedy asked the Portfolio Holder for Housing what target the Council had in place to address homelessness.

In response, Councillor Matecki explained that the target was to have no homeless people and work was underway to look for further sites to provide more accommodation.

Councillor Roberts asked the Portfolio Holder for Environment & Business if he was willing to accept an offer to visit the Passivhaus scheme in Norwich and if the Council could adhere to Passivhaus design for the new leisure facilities in Kenilworth as per the new centres in Exeter.

In response, Councillor Matecki, the Portfolio Holder for Housing, was aware of the invitation but officers were not intending to go. However, officers were considering a number of design options that he would share with Councillor Roberts.

In response, Councillor Grainger, Portfolio Holder for Culture, added that advice had been received from MACE that Passivhaus might not be appropriate for leisure

centre builds. Options were being considered in respect of the new build at Castle Farm, but options were more limited for Abbey Fields which would be a partial rebuild of the centre.

Councillor J Dearing asked the Portfolio Holder for Health & Community Protection that the Strategic Risk Assessment was now over six years old and if this was considered sufficient.

In response, Councillor Falp explained that the plans had worked during the previous weeks of flooding within the District and was supplemented by the Major Emergency Plan. The continued flood risk in the District would be a matter led by the Environment Agency and Warwickshire County Council.

Councillor Davison asked the Leader if the Council could improve how it kept the local community informed and involved within the democratic process.

In response, the Leader explained that Councillors should be representing the views of all within their respective Wards. However, the Council should be seeking to enhance its digital provision/engagement where possible. If Councillors wished, they could bring forward proposals for a Task & Finish Group to look at this.

Councillor Cullinan asked the Leader if he was aware that some meetings with Shadow Portfolio Holders were not taking place and if so, how could this be improved?

In response, the Leader asked Councillor Cullinan to raise this at the next Group Leaders' briefing so it could be considered in detail.

Councillor Weber asked the Portfolio Holder for Culture if she was aware that the criteria for the museum accreditation was that the exhibitions had to be kept safe at all times, and this included minimising movements.

In response, Councillor Grainger agreed to investigate and provide further detail to Councillor Weber.

Councillor Dickson asked the Portfolio Holder for Finance how much of the £52,452 budget for Brexit preparations from the Government had been spent?

In response, Councillor Hales explained that nothing had been spent.

Councillor Boad asked the Portfolio Holder for Environment & Business if alternative fuel technology would be considered as part of new contracts.

In response, Councillor Rhead welcomed this and encouraged Councillor Boad to bring forward this discussion as part of the contract renewal working party.

42. **Appointments**

(1) it was proposed by Councillor Day, seconded by Councillor Cooke and

Resolved that:

- (a) Councillor Boad be appointed to the Licensing & Regulatory Committee for the Liberal Democrat Vacancy;

- (b) Councillor Russell be appointed to Planning Forum;
- (c) Councillor Russell be appointed in place of Councillor Boad on the Overview & Scrutiny Committee;
- (d) Councillor Boad be appointed as a substitute for the Overview & Scrutiny Committee;
- (e) Councillor Russell be appointed as a substitute for the Finance & Audit Scrutiny Committee and Employment Committee; and
- (f) Councillor Illingworth be appointed to Warwick District Conservation Advisory Forum.

(2) it was proposed by Councillor Day, seconded by Councillor Cooke and

Resolved that:

- (a) following the reduction in outside appointments, with the loss of Kenilworth Town Centre Partnership and the LGA District Councils Network and Warwickshire Waste Management Forum (both becoming Executive appointments as per their terms of reference), Council agrees that outside appointments are not made on a politically proportionate basis for this municipal year; and
- (b) Councillor Boad be appointed **as the Council's** representative on the South Warwickshire NHS Foundation Trust.

43. **Executive report**

It was proposed by Councillor Day, seconded by Councillor Hales and

Resolved that the recommendations from the 3 October 2019, plus Appendix A and its Addendum, and 13 November 2019 Executive meetings, be approved.

44. **Public & Press**

As laid out on the agenda, it was proposed by the Chairman, duly seconded and

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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

45. **Confidential Executive Report**

It was proposed by Councillor Day, seconded by Councillor Cooke and

Resolved that the confidential recommendations from 3 October 2019 Executive meeting, be approved.

46. **Common Seal**

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

(The meeting ended at 7.03pm)

CHAIRMAN
26 February 2020

Executive

Excerpt of the Executive minutes of the meeting held on Wednesday 18 December 2019 at the Town Hall, Royal Leamington Spa, at 6.00pm.

Present: Councillors Cooke, Falp, Grainger, Hales, Matecki, Norris and Rhead.

Also present: Councillors: Nicholls (Chair of the Finance & Audit Scrutiny Committee); Davison (Chair of the Overview & Scrutiny Committee) and Boad (Liberal Democrat Group Observer).

88. **Declarations of Interest**

There were no declarations made in relationship to the items within this excerpt.

89. **Minutes**

The minutes of the meeting held on 13 November 2019 were taken as read and signed by the Chairman as a correct record.

Part 1

(Items for which a decision by the Council was required)

90. **Council Loans Policy**

The Executive considered a report from the Deputy Chief Executive (AJ) seeking **Members' recommendation to Council for the** approval of a Loans Policy against which applications from external bodies for financial resources could be judged.

Over the course of the last 24 months, Members had agreed a number of financial loans to various organisations on a case-by-case basis. Following an assignment in relation to this matter by the **Council's Internal Audit** service, the following recommendation was produced:

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Loans to External Organisations – 6 June 2019		

RECOMMENDATION	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<p>To prevent loans being allocated to selected applicants, an application process should be formed. This would allow a fair and equal opportunity for a wider audience to apply.</p>	<p><i>Corporate Management Team:</i> <i>We do not consider that a Loans Policy and application process should be developed. The Localism Act gives a broad remit for Councils to use what powers (tools) they consider necessary to deliver a specific objective. A loan may be the right solution for a specific case but we do not believe that in effect "a loan application scheme" should be established. We accept that a checklist should be established so that there is a consistency around process and procedure.</i> <i>PID: The checklist will be developed when we next consider that a loan is the appropriate tool to use.</i></p>	<p><u>Update 1</u> Having since consulted with the Chair of the Finance & Audit Scrutiny on this matter, it was now felt that a Loans Policy and application process would aid governance and therefore should be developed.</p> <p><u>Update 2</u> A fair amount of progress was being made in producing these items but had stalled of late due to other priorities. It was intended that the matter would be concluded by the end of November and that a report would be issued to Executive in December.</p>

Members were reminded that initially, the Corporate Management Team (CMT) considered that a Loans Policy approach was not necessary, however, following receipt of a subsequent loan enquiry and consequent discussions with Group Leaders, and specifically the Chair of Finance & Audit Committee, CMT accepted that in the interests of transparency, objectivity and equity, the Council should develop a written policy position on its approach to financial loans.

Members were therefore asked to consider the Loans Policy attached at Appendix A to the report and subject to any amendments it wished to make, recognising that these amendments needed to be legally compliant, to recommend the Policy to Council for adoption.

The Policy made reference to two management documents necessary for proper consideration of a loan application. These were an application form and a business plan template. It was recommended that the S151 Officer should be given delegated authority to produce these documents, should the Policy be adopted.

No alternative options were considered as following further consideration of **Internal Audit's recommendation and the views of the Group Leaders** and Chair of the Finance & Audit Scrutiny Committee, the development of a policy was considered the most prudent approach.

The Finance & Audit Scrutiny Committee suggested to the Executive that (1) it should amend the Policy so that Officers could refuse loan requests that did not meet the criteria; (2) the policy clearly stated it was for capital schemes only; and (3) there were some minor wording amendments that the Deputy Chief Executive would feedback to the Executive.

Councillor Hales, the Portfolio Holder for Finance, accepted the suggestions from the Finance and Audit Scrutiny Committee and asked officers to include these changes in the final draft of the proposal. He thanked Councillor Nicholls, Councillor Syson and officers for all their work on this project and proposed a report as laid out.

Recommended to Council that a Council Loans Policy as drafted at Appendix A to the report and minutes, be adopted, subject to the three amendments suggested by the Finance & Audit Scrutiny Committee: (1) the Policy be amended so that Officers can refuse loan requests that do not meet the criteria; (2) the policy clearly states it is for capital schemes only; and (3) there were some minor wording amendments to be made by officers in the final draft of the proposal that would be considered by Council; and

Resolved that authority be delegated to the S151 Officer to produce the application form and business plan documents necessary for a loan application to be made.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,081

91. **General Fund Base Budgets 2020/21**

The Executive considered a report from Finance setting out the latest projections for the General Fund revenue budgets in respect of 2019/20 and 2020/21 based on the current levels of service and previous decisions. There were further matters that would need to be reviewed in order to finalise the base position as part of the 2020/21 budget setting process as set out in paragraph 8.3 of the report. The 2019/20 latest budgets showed a forecast surplus of £469,400, and the proposed 2020/21 Base Budget forecasted a deficit of £460,600.

The February 2020 budget report would include proposed items of growth to be added to the budgets within the report. The Council would then be in a position to confirm the final Budget for **2020/21 and the Council's**

element of the Council Tax. The Council was required to determine its budget requirements in order to set the Council Tax for 2020/21.

The Council was required to determine its budget requirements in order to set the Council Tax for 2020/21.

The proposed Base Budgets for 2012/21 and the Latest Budgets for 2019/20 were shown below. The figures included all financing charges, which were dealt with in paragraph 3.5 of the report. Paragraph 3.3 of the report considered the 2020/21 Base Budget, and paragraph 3.4 of the report looked at the latest 2019/20 budget figures.

	Base Budget 2019/20 £000	Latest Budget 2019/20 £000	Base Budget 2020/21 £000
Net Expenditure for District Purposes	18,059	19,241	14,631

The above figures fluctuated year on year, mainly to reflect changes to the use of reserves (often due to project slippage), and changes in external support, notably retained Business Rates and New Homes Bonus (£3.3m NHB included in 2019/20, not included in 2020/21).

In preparing the 2020/21 Base Budget, the over-riding principle was to budget for the continuation of services at the existing level. The following adjustments needed to be made to the 2019/20 Original Budget:

- removal of any one-off and temporary items;
- addition of inflation;
- addition of previously agreed Growth items;
- addition of unavoidable Growth items; and
- inclusion of any identified savings.

The table below summarised how the 2020/21 base budget had been calculated, supported by Appendix A to the report.

	£	£	£
NET EXPENDITURE FOR DISTRICT PURPOSES 2019/20 ORIGINAL			18,058,607
Less Inflation			(77,800)
Staffing			(227,100)
Plus Committed Growth:			
- Increases in expenditure	571,500		
- Reduced income	230,300	801,800	
	<hr/>		
Less Savings:			
- Reduced expenditure	(1,066,200)		
- Increases in income	(937,700)	(2,003,900)	
	<hr/>	<hr/>	
CHANGES IN SERVICE INCOME and EXPENDITURE			(1,202,100)
Changes in Interest			(272,800)
Changes in Capital financing charges			1,750,300
Changes in Revenue contributions to Capital			(2,028,700)
Changes in non-service specific contributions to reserves			(915,597)
Changes in IAS19 adjustments reversed			(655,000)
Changes in Contributions to / from General Fund			201,393
			<hr/>
NET EXPENDITURE FOR DISTRICT PURPOSES 2020/21 ORIGINAL			14,631,203
			<hr/> <hr/>

Inflation of 2% had been applied to general budgets, of which 1.6% had been used for most major contracts, with the exception of the cleaning contract (2.6%). 2.4% had been used for Business Rates.

Staff costs would increase in 2020/21. The main changes to funding were:

- agreed 2% pay award (+£300,900);
- Spa Centre / Pump Rooms casual staff funded from increased income (+£40,000); and
- auto enrolment (+£31,900).

Only previously committed growth and unavoidable changes were included in the Base Budget. This totalled £801,800, of which £571,500 related to increased expenditure and £230,300 related to reduced income. Appendix A to the report listed the main items, the largest of which were:

- increase in contract cleaning costs (+£219,300);
- Car Park costs funded by additional income (+£100,000);
- waste collection contract increases (+£59,000); and
- waste management – new properties (+£44,000).

Various savings and increased income were allowed for within the Budget. These totalled £2,003,900, which comprised of £1,006,200 reductions in expenditure and £937,700 increases in income. Appendix A to the report listed the main items, the largest of which were:

- leisure concession fees from contractor (-£287,100);
- removal of contingency budget (-£237,000);

- increase in recharges (-£135,700);
- additional car parking income (-£132,300); and
- increased Crematorium income (-£108,800).

Taking the above figures into account, there was a forecast reduction of £1,202,100 in net service expenditure, which was mainly the falling out of one-off and reserve funded items. There was no overall change in the level of service provision budgeted for, other than any previously agreed changes.

There were various general financing adjustments required to arrive at the demand for Council Tax. Taking all these items into account produced a forecast deficit of £460,600.

However, as outlined in section 8 of the report, the final Government Finance Settlement and other unforeseen events meant the final position would not be confirmed until early 2020.

The budget report considered by the Executive at its 21 August 2019 meeting reported a forecast deficit for 2020/21 of £309,000. The difference between this figure and the deficit shown in Section 3.3.8 of the report was mainly due to the anticipated increase in the cost of the cleaning contract (£218,000) and revenue savings from the new CCTV investment (£51,000).

Appendix B to the report was broken down into two parts – Appendix B1 and Appendix B2. Both appendices provided details of service expenditure and income in portfolio order. Appendix B1 to the report was a summarised version of Appendix B2. The analysis in Appendix B2 was divided into two sections – expenditure and income under the direct control of the budget manager, such as salaries, fees and charges income, and those items for which they had little or no control over, such as support service allocations and capital financing charges. Explanations were provided where significant variations had been identified. Appendix B2 to the report was solely provided electronically.

Under the current Budget Review process, amendments to budgets were presented to Members for approval on a regular basis. Consequently, many changes had already been reported and approved by Members. The report continued that process and provided details of the latest budgets for the current year. Appendices B1 and B2 to the report provided detailed analysis of net expenditure by service in Portfolio groupings.

The Latest Budgets totalled £19,241,190, which was an increase of £1,182,583 compared with the originally approved budget for 2019/20 of £18,058,607.

The main reasons responsible for the decrease in service income and expenditure were included within Appendix B, which was summarised as follows:

	£	£	£
NET EXPENDITURE FOR DISTRICT PURPOSES 2019/20 ORIGINAL			18,058,607
Staffing			549,300
Plus Committed Growth:			
- Increases in expenditure	14,230,300		
- Reduced income	534,100	14,764,400	
Less Savings:			
- Reduced expenditure	(2,028,500)		
- Increases in income	(764,600)	(2,793,100)	
CHANGES IN SERVICE INCOME and EXPENDITURE			11,971,300
Changes in Interest			(439,800)
Changes in Capital financing charges			(9,216,900)
Changes in Revenue contributions to Capital			(344,000)
Changes in non-service specific contributions to reserves			(523,917)
Changes in IAS19 adjustments reversed			(641,000)
Changes in Contributions to / from General Fund			(172,400)
NET EXPENDITURE FOR DISTRICT PURPOSES 2019/20 LATEST			19,241,190

The first part of the table above showed that the total net expenditure on services had increased by £11,971,300. This was mostly due to increases in capital charges in respect of the HIF Grant for Kenilworth School. The swing from the Original Net Expenditure of £18.1m to £19.2m also reflected the increased contribution to the Business Rates Retention Volatility Reserve of £1.6m, as the level of rates expected to be received this year had increased as detailed in paragraph 3.6.3 of the report.

The 2019/20 budget was reviewed in order to set the 2020/21 base budget. This was to be reviewed again in February.

The Quarter 2 budget review to the Executive on 13 November 2019 reported a budget surplus of £163,700. Following this review, the net amount of interest received was recalculated and was expected to be £142,300 higher. Salary reductions of £45,000, a £33,800 grant and further expenditure reductions of £84,600 had resulted in the revised surplus of £469,400. This surplus could be seen within the General Fund Summary in Appendix B1 to the report.

The comments made above concerning the content of Appendix B were equally applicable to the information provided in respect of the Latest Budgets for 2019/20.

As part of the earmarked reserve process at the year end, £44,100 was transferred to revenue for the Kenilworth leisure project. It was decided that this work was of a capital nature, and subsequently, £44,100 was added to the capital budget. This would now be shown as a contribution to capital in the revenue accounts.

In order to arrive at the position for the Council's overall net expenditure, it was necessary to take **account of the effects of the Council's capital** financing arrangements and any transfers to and from reserves. These were summarised in Section 3.5.1 in the report and further details were included within Appendix C to the report.

Most of the changes to the Capital Financing and Reserves figures reflected changes in specific items within the cost of General Fund service expenditure, whereby many increases in service expenditure were met by a contribution from a specific reserve which were included here.

These figures were still being updated to reflect the latest Capital Programme and use of reserves. Any further changes were to be detailed in the February 2020 Budget report.

In terms of depreciation, intangible assets and capital financing charges in Service Budget, these were non-cash charges to services that did not **impact on the Council's overall external funding requirement (primarily council tax, retained business rates and Government grant)**. By including these charges, the full cost of the respective services provision was apparent. Variations between years occurred, which reflected new schemes and slippage between years of schemes as reflected within the **Council's capital programmes**.

There was a decrease in 2019/20 of £242,300 to do with loan repayments, revenue contributions and interest paid. This was due to a decrease in interest payments of £203,700, and the Minimum Revenue Provision (MRP) was reduced by £38,600. There was a decrease in 2020/21 of £137,000. Interest payments were reduced by £104,300 and the MRP by £32,700.

Concerning the revenue contributions to Capital, there was a reduction to the budget of £344,000 for 2019/20. The budget for 2020/21 was reduced by £2,029,000. This was because no schemes funded by the New Homes Bonus were included in 2020/21 budgets as this had not been confirmed.

There was a reduction in contributions to and from reserves of £916,000 when compared to the 2019/20 original budget. The 2019/20 latest budget showed a decrease in contributions to and from reserves of £524,000. The changes were categorised as follows:

	Base Budget 2019/20 £000	Latest Budget 2019/20 £000	Base Budget 2020/21 £000
<u>Contributions to / (from) reserves:</u>			
Contribution to / (from) Business Rates			
Retention Volability Reserve	736	2,358	587
Use of New Homes Bonus	2,301	2,301	(150)
Homelessness Prevention Grant	-	-	-
Use of Community Projects Reserve	365	516	(70)
Use of Leisure Options Reserve	-	(23)	-
Services, etc.	(1,699)	(3,973)	420
	<hr/>		
Contributions to / (from) reserves	1,703	1,179	787
	<hr/> <hr/>		

Change:

Contribution to / (from) Business Rates			
Retention Volability Reserve		1,622	(149)
Use of New Homes Bonus		-	(2,451)
Homelessness Prevention Grant		-	-
Use of Community Projects Reserve		151	(435)
Use of Leisure Options Reserve		(23)	-
Services, etc.		(2,274)	2,119
		<hr/>	
Contributions to / (from) reserves		(524)	(916)
		<hr/> <hr/>	

The revised net budget for 2019/20 showed an increase of £198,000 and £136,000 for 2020/21. These figures were to be updated in the February Budget Setting report.

	Base Budget 2019/20 £000	Latest Budget 2019/20 £000	Base Budget 2020/21 £000
Interest receivable	(1,075)	(1,071)	(1,027)
Deferred capital receipt	(21)	(21)	(18)
HRA Share	624	422	437
	<hr/>		
Total GF Interest Receivable	(472)	(670)	(608)
	<hr/> <hr/>		

Change:

Interest receivable		4	48
Deferred capital receipt		-	3
HRA Share		(202)	(187)
		<hr/>	
Change in GF Interest Receivable		(198)	(136)
		<hr/> <hr/>	

The Housing Revenue Account balances formed **part of the Council's** investment portfolio and as a result of the factors described above, the investment interest to be credited to the Housing Revenue Account was expected to decrease in 2019/20 by £202,000 and by £187,000 in 2020/21.

IAS 19 required an authority to recognise the cost of retirement benefits in the net cost of services when they were earned by employees, rather than when the benefits were eventually paid as pensions. However, the charge that was required to be made against council tax was based on the cash payable in the year, so the real cost of retirement benefits was reversed out. The figures included in the budgets were based on the latest figures from the Pension Fund actuary.

In line with the decisions made at the February 2019 Executive meeting, as part of the 2019/20 Council Tax Setting, £201,400 was transferred from 2018/19 to 2019/20 via the General Fund balance. The latest budget showed an increase to this of £172,400, more details of which were provided in Appendix C to the report.

In order to complete the picture, the general grants position also needed to be considered.

The Revenue Support Grant reduced to zero for 2019/20, based upon the four-year settlement confirmed in January 2016.

Gross Business Rates income figures showed an increase of £1.65m in 2019/20, and was estimated to reduce by £0.75m in 2020/21 from 2019/20. The income for 2019/20 was higher, due to primarily one-off adjustments in respect of the appeals provision. This movement in Business Rates income was to be matched by changed contributions to the Volatility Reserve in order to smooth the net income to the General Fund. Movements in business rates were as follows:

	Actual 2018/19 £000	Original 2019/20 £000	Latest 2019/20 £000	Original 2020/21 £000
Gross Business Rates Income	7,781	5,268	6,920	4,522
Contribution from (to) Business Rate Retention Volatility Reserve	(3,646)	(736)	(2,358)	(587)
Net Business Rate Income credited to General Fund	4,135	4,532	4,562	3,935

At this stage, no New Homes Bonus had been included in respect of 2020/21. However, £150,000 had been included (by way of expenditure and anticipated New Homes Bonus) in respect of the Commonwealth Games.

The Council Tax element of the Collection Fund was to be calculated in January 2020, with the Major Preceptors being notified of their share of

any surplus or deficit, and was to be included within the February 2020 Budget report with any balance to be distributed / recovered in 2020/21.

The Council Tax Base for 2020/21 was calculated to increase by 274.20 from 55,577.17 to 55,851.37. This change resulted in an increased Council Tax yield of £45,700. Increasing the Council Tax Band D charge by the previously agreed £5 produced a further yield of £279,000.

The net result of all these movements was shown below:

	BASE BUDGET 2019/20 £'000	LATEST BUDGET 2019/20 £'000	BASE BUDGET 2020/21 £'000
TOTAL ESTIMATED NET EXPENDITURE	18,059	19,241	14,631
Less: Revenue Support Grant	-	-	-
Less: Business Rates Income	(5,267)	(6,919)	(4,521)
Less: General Grants:			
- New Homes Bonus	(3,359)	(3,359)	(150)
- New Homes Bonus Returned Funding	-	-	-
- Homelessness Prevention Grant	-	-	-
- Self & Custom Build New Burdens Grant	(15)	(15)	-
Collection Fund (Surplus) / Deficit	(143)	(143)	100
Council Tax	(9,274)	(9,274)	(9,599)
	<u> </u>	<u> </u>	<u> </u>
(Surplus) / Deficit	1	(469)	461
	<u> </u>	<u> </u>	<u> </u>

This showed that there was a forecast surplus of £469,417 in 2019/20 and a deficit of £460,587 in 2020/21.

The latest Housing Investment Programme (HIP) was shown at Appendix E to the report.

In prior years, the Housing Investment Programme was included in the February Budget Setting Report, but the 2020/21 programme was brought forward to be considered in the December budget report, in order to facilitate a greater time period for the procurement of contractors to enable works to commence early in the new financial year.

Similarly, a revised HIP would be presented to Members as part of the February Budget Report where any variations from the 2019/20 programme were included. This also included any new schemes approved during 2019/20, changes to the current schemes and slippage from 2019/20 into 2020/21.

A Housing Restructure, which was pending approval from Employment Committee in December, had been excluded as it had not yet been approved; the HIP was to be revised to factor in the impact of this change on the HRA Capital Investment Reserve included within the estimated HIP Resources at Appendix F to the report. The HRA 2020/21 Estimates also

needed to be updated as part of the Rent Setting Report considered in February 2020.

Appendix F to the report showed the funding of the HIP and the forecast balances at year end until 31 March 2024 after the HIP had been financed. The capital receipts primarily related to Right to Buy sales. The Council had freedom on how the Right to Buy any purpose receipts were utilised, and was able to fund General Fund and Housing capital schemes.

1-4-1 RTB receipts had to be utilised in replacing housing stock that had been purchased from the Council by existing tenants through the RTB scheme. This could be through new build properties (such as Sayer Court), the purchase of existing properties (such as Cloister Way) or buy back of existing Council properties previously sold through RTB. However, they could only be used to fund up to 30% of the replacement cost as per RTB regulations. If the funding was not used within a three-year period from the date of receipt, the funding would be repayable to the Government, along with interest. It was envisaged that there was no requirement to repay any 1-4-1 receipts to the Government as they would be utilised to finance current or potential schemes within the Housing Investment Programme. Within the current Housing Investment Programme, there were schemes for the acquisition of properties during 2020/21, as agreed by Members. This fully utilised the 1-4-1 funding that the Council currently held and would receive in 2020/21, and it was projected to have a zero 1-4-1 balance as it did at 31 March 2020. The projections after this date showed the balance beginning to increase again, starting with approximately £1.4m generated in 2021/22, which would be available thereafter for further schemes, with this funding having to be used within the three-year timescale.

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

The Major Repairs Reserve was used to fund capital repairs of the HRA stock. The contributions to this reserve were based on depreciation calculations.

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

The Right to Buy Capital Receipts were shown within the sources of housing Investment Programme funding. As considered previously by Members, these capital receipts were not ring-fenced and could be used for any capital projects. The Prudential Indicators for 2019/20 were presented to the Executive on 6 February 2019 and ratified by the Council

on 20 February 2019. This was a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it could afford to borrow each financial year.

In order to provide sufficient flexibility to the Council's future long-term borrowing and future-proof the Council's Prudential Indicators against any change in practice relating to internal borrowing, it was recommended that the indicator below should be revised, increasing the limit for longer-terms loan (i.e. 10 years and above) to 100%:

Period	Upper		Lower
	Current	Revised	Current
Under 12 months	4%	20%	0%
12 months and within 24 months	20%	20%	0%
24 months and within 5 years	20%	20%	0%
5 years and within 10 years	20%	20%	0%
10 years and above	96%	100%	0%

This would enable any future loans, in addition to the £136 million HRA loans from 2011/12 and the £12 million taken in September 2019 for the General Fund, to take advantage of an interest rate yield curve that might have favoured longer-term loans, which matched the pool of underlying new assets.

Increasing the 'Under 12 months' limit to 20% would allow for circa £32 million of internal borrowing. Although the Prudential Code did not specifically identify internal borrowing, it was considered good practice to **allow for this position in the Council's indicators**, in order to reflect this element of borrowing.

This proposed change was supported by Finance and Audit Scrutiny Committee on 12 November 2019 as part of its consideration of the Treasury Management half year report.

One of the projects forming part of the **St Mary's Lands Scheme** was the implementation of a Multi-Use Games Area (MUGA). This had been funded by way of a grant and a loan to Racing Club Warwick who operated the facility. The project was completed but two issues arose that required resolution. Firstly, the flood lights installation required additional works above and beyond what had been provided for, as a consequence of planning requirements. This extra cost amounted to £9,400. Additionally, the ground works for the MUGA required further strengthening to provide extra endurance at an additional cost of £20,000.

The extra £29,400 could not be afforded by Racing Club Warwick. This sum was funded from other projects budget for **St Mary's Lands** which included an element of contingency. The budgets for these other projects amounted to £500,800 in 2019/20. There was the potential for this to be recouped, along with the grant which had already been agreed, from Section 106 Agreements.

In terms of alternatives, the purpose of the report was to produce budgets as determined under the requirements of the Financial Strategy, in line with current Council policies. Any alternative strategies would be the subject of separate reports.

The Finance & Audit Scrutiny Committee noted the report and the addendum with regard to Shakespeare England. Councillor Nicholls, the Chairman of Finance and Audit Scrutiny Committee, advised Members that the addendum had been withdrawn prior to the meeting and should not have been considered by the Finance & Audit Scrutiny Committee.

Councillor Hales, the Portfolio Holder for Finance, proposed the report as laid out.

Recommended to Council that

- (1) the base budget for the General Fund services in respect of 2020/21 as outlined in Appendix B to the report, be agreed;
- (2) the updated budget for the General Fund services in respect of 2019/20 as outlined in Appendix B to the report, be agreed;
- (3) the 2020/21 Housing Capital Investment Programme as outlined in Appendix F to the report, be agreed;
- (4) the changes to the Prudential Indicators for 2019/20, as discussed in section 3.8 of the report, be agreed; and
- (5) **the addition of £29,400 grant to the St Mary's Lands capital budget** as discussed in section 3.9 of the report, be agreed.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,086

92. **Housing Revenue Account Base Budgets 2020/21**

The Executive considered a report from Finance presenting the latest projections for the Housing Revenue Account (HRA) in respect of 2019/20 and 2020/21 based on current levels of service and previously agreed Executive decisions. There were further matters that needed to be reviewed in order to finalise the base position as part of the 2020/21 budget setting process, to be reported to Executive in February 2020, as set out in paragraph 3.6 of the report.

The 2019/20 latest budgets showed a forecast reduction in the transfer to the HRA Capital Investment Reserve (HRA CIR) of £394,100. The

proposed 2020/21 Base Budget forecasted a reduction in the transfer to the HRA CIR of £482,400. Appendix A to the report summarised the adjustments from 2019/20 base budgets to the 2019/20 latest budgets and 2020/21 base budgets.

The report considered the **current year's budget, and included** details of proposed updates to the 2019/20 Budget. The report also recommended the base budget requirements that would be used in the setting of the HRA budgets for 2020/21. These figures reflected the costs of delivering an agreed level of service, and any unavoidable changes in expenditure (for example, where the Council was contractually or statutorily committed to incur additional expenditure).

Any recent changes needing to be resolved that had not been included in the budgets at this stage would be fed into the February report. In February the Council would be in a position to agree the 2020/21 Budget for the year part of the HRA rent setting report, following confirmation of the housing rents and communal utility recharges.

In agreeing the latest 2019/20 budgetary position, managers reviewed their current and forecast financial requirements. Some changes had already been reported to Members as part of the Quarterly Budget Review Report in August, with further amendments to be identified during the **budget setting process to determine next year's base position.**

A review of the 2019/20 budget had been carried out in order to establish the latest budget for the current year. This informed the base position for 2020/21.

The following table summarised how the latest 2019/20 HRA budget had been calculated:

	£
Original Approved Net HRA Surplus 2019/20	(29,400)
Increase in Expenditure	470,700
Increase in Income	(76,600)
Reduction in contributions to reserve	(394,100)
LATEST NET HRA SURPLUS 2019/20	<u>(29,400)</u>

Key drivers of the increase in Expenditure budgets included:

- completion of the external decoration programme – budget carried forward from 2018/19 £197,000;
- increase in Supervision & Management £190,500, due to consultant fees for new housing development projects, increase in the cleaning contract and the increase in support service charges recharged to the HRA; and
- business rates of £34,900 following the acquisition of 1 Warwick Street.

Key drivers of the increase in Income budgets included a rents increase of £16,000 relating to 1 Warwick Street and an increase of £63,600 in expected interest receipts.

Appendix A to the report provided a more detailed breakdown of key variances.

As a result of the above variations to the 2019/20 HRA budgets, the forecast contribution to the HRA Capital Investment Reserve for the year would be £3.2m, a reduction of £394,100 from the original budget.

The Housing Investment Programme was presented as part of the **separate December 2019 report 'General Fund Base Budgets 2020/21'**.

In determining the 2019/20 Base Budget, the over-riding principle was to budget for the continuation of services at the agreed level. The following adjustments were to be made to the 2018/19 Original Budgets:

- removal of any one-off and temporary items;
- addition of inflation (contractual services and pay only);
- addition of previously agreed growth items;
- addition of unavoidable growth items; and
- inclusion of any identified savings.

The table below summarises how the 2019/20 HRA base budget had been calculated.

	£
Original Approved Net HRA Surplus 2019/20	(29,400)
Increase in Expenditure	616,700
Increase in Income	(135,100)
Reduction in contributions to reserve	(482,400)
LATEST NET HRA SURPLUS 2020/21	<u>(30,200)</u>

Key drivers of the change in Expenditure budgets included:

- Sheltered Schemes Fire Safety £767,000;
- external painting programme £495,000; and
- decrease in depreciation charge of (£750,000).

Key drivers of the change in Income budgets included increase of Other rents reallocated due to miscoding (£33,700) and increase in expected interest receipts (£90,900).

Appendix A to the report provided a more detailed breakdown of key variances.

Due to time constraints, the figures in the report did not include the impact of the Housing Services redesign which was approved at the Executive meeting on 13 November 2019. This would be included in the

February budget report and would reduce the contribution to reserves. It was estimated that this reduction would be around £500,000.

A number of assumptions had been made in setting the budgets for 2020/21.

Inflation of 2% had been applied to general budgets. 1.6% had been used for most major contracts, with the exception of the cleaning contract (2.6%). 2.4% had been used for Business rates. 2% pay award had been applied to salaries.

The base rent budget in the report was a baseline calculated from the rental assumptions presented in the 2017 HRA Business Plan.

The actual rents to be charged in 2020/21 and the **Council's rent policy** were to be decided by Council in February 2020, and budgets would be updated to reflect those decisions. The latest version of the HRA Business Plan was also to be presented to the Executive alongside this in February 2020, incorporating this change alongside other key policy decisions.

The base 2020/21 budgets presented in the report had not been adjusted for inflation, as this was yet to be approved in February's rent setting report. This would allow for housing rents to be increased by CPI + 1% on the rent charged in 2019/20, as allowed by legislation. This would follow a period of four years of 1% reductions. In the case of void properties, the base rent would be:

the assumed rent rate which should be what the previous tenant paid if that was already above Target Social Rent (Formula Rent) then increased by CPI + 1% in the first relevant year and again by CPI + 1% for each successive year,

or

the formula rent for 2019/20, plus CPI + 1% in 2020/21 rent year and so on.

Rent budgets included the projected effect of void homes being moved to Target Social Rent (Formula Rent) when re-let. 2019/20 was the final year of the rent reduction policy, following the announcement that providers would be permitted to increase their rents by up to CPI+1% each year, for a period of at least five years.

Shared ownership properties were not governed by the national Policy. The Council adopted the Homes and Communities Agency (HCA) template lease agreement which included a schedule on rent review. Schedule 4 of the lease agreement determined that the rent would be increased by RPI + 0.5% from April each year. At October 2019, the increase had been forecast at 2.6%.

Unavoidable and previously committed growth had been included in the Base Budget. Any HRA surplus above that required to maintain the appropriate HRA working balance was transferred into the HRA Capital Investment Reserve to be used on future HRA capital projects. The 2020/21 Base Budget allowed for a £3.1m contribution to the reserve.

Notional interest had been charged to the HRA within the Capital Charges. This represented the cost of tying up resources in the asset. This had been charged against HRA garages and shops at their Existing Use Value (EUV). HRA housing had not been included in this calculation due to the assured nature of tenancies, restricting the **Council's ability to sell occupied** housing assets.

In terms of alternatives, the purpose of the report was to produce budgets as determined under the requirements of the Financial Strategy. Any alternative strategies would be the subject of separate reports.

The Finance & Audit Scrutiny Committee noted the report and that paragraph 8.2.2 was included in error and should not be considered.

Councillor Matecki proposed the report as laid out, subject to the removal of paragraph 8.2.2 in the report.

Recommended to Council that

- (1) the latest revenue budget for Housing Revenue Account Services in respect of 2019/20 as outlined in Appendix A to the report, be granted; and
- (2) the base budget for Housing Revenue Account Services in respect of 2020/21 as outlined in Appendix A to the report, be granted.

(The Portfolio Holder for this item was Councillor Matecki)
Forward Plan Reference 1,086

(The meeting ended at 6.40pm)

CHAIRMAN
12 February 2020

Council Loans Policy

Contents

- 1. Introduction**
- 2. Considering a loan request**
- 3. Loan agreement**
- 4. Approval process**

1. Introduction

- 1.1 Section 12 of the Local Government Act 2003 gives local authorities certain powers to invest. This is supplemented by Section 1 of the Localism Act which gives local authorities a general power of competence **to do "anything that individuals generally may do"**. Thus, under this provision, local authorities can loan to organisations for legitimate purposes.
- 1.2 The Council does not provide loans routinely to external organisations, and requests for loan finance will only be considered in the context of the **Council's wider commercial and strategic and objectives together with its corporate policies**. As such, each proposal for loan finance needs to be judged on its own merit, which includes consideration of:
 - a. the purpose of the loan and its contribution to the achievement of **the Council's strategic objectives**
 - b. the extent to which loans will, in the medium term at least, benefit the local economy
 - c. the financial stability and viability of the organisation to which the loan is made
 - d. the nature / level of security an organisation can provide to support the loan amount
 - e. **the Council's commercial objectives.**

The loan must be in relation to capital expenditure projects; that is, the Council will not provide loans to support revenue expenditure.

- 1.3 Loans made to external organisations under this policy do not form part of **the Council's investment or treasury management strategy**. Decisions regarding the granting of loans are based on a wider concept of the commercial and strategic benefit of each proposal, together with **alignment with the Council's corporate policies, rather than the narrower treasury management investment criteria** which is driven by consideration of the security and liquidity of funds as well as financial yield. As such, decisions on the different levels of risk and financial return involved in each loan agreement may vary depending on the nature / purpose of the loan and its wider strategic impact. Factors that may affect the level of risk involved in a particular proposal include:

- a. Whether the Council already has an interest in the asset / project (for example, owns the land / buildings to which the loan finance relates)
 - b. Whether loans are offered under Government-sponsored schemes (for example, loans financed from the Regional Growth Fund); and
 - c. The type of organisation that the funding is provided to (for example, a private company, a not for profit organisation or other public body). It should be noted that this policy does not apply to loans to private individuals.
- 1.4 This policy applies to all new loan approvals (including variations to existing loan agreements) with effect from its date of approval.

2. Considering a loan proposal

- 2.1 Applications for loans should be completed by the applicant on the **Council's Loans Application** form.
- 2.2 When considering proposals for loan finance, the following factors should be taken into account:
- a. Applications will only be considered to support projects / initiatives within the Warwick District Council area.
 - b. There will be an assessment of the degree of correlation of the loan **purpose with the Council's corporate priorities.**
 - c. The Council will consider whether it is appropriate to analyse total support given to an organisation or a single project. For example, the Council may determine that it is inappropriate to lend monies where a grant from the Council has been agreed for the same project or where they have received any type of grant or loan from any state body.
 - d. The relevant organisation requesting a loan must be able to demonstrate that it has sought funding from other sources and that loans from such sources are not available.
 - e. A financial appraisal will be required to be carried out by the Council on receipt of any loan request that meets the specified threshold for evaluating applications. This appraisal will also consider the financial standing of the relevant organisation (especially their ability to repay the prospective loan) and will provide due diligence over the business case of the project / initiative. The following information will be required to be made available to the Council alongside the request for a loan:
 - i. Copy of the latest approved annual accounts (audited where **applicable**), **plus the previous two years' financial annual accounts** including, where relevant, an assessment of company structures and governance arrangement. Additional Management Accounts and supporting information may be required.
 - ii. **Copy of the last six months' bank statements.**

- iii. The business case for the project / initiative including project / initiative risks and deliverability. This should be **completed on the Council's standard business plan template.**
 - iv. Information on proposed security to support the loan, including evidence of security of tenure of land / buildings and nature of other calls upon the assets (for example, other secured bank loans).
 - v. **Adequacy of the relevant organisation's insurance** arrangements, including insurance of assets offered as security.
 - vi. Details of how the project / initiative will be funded including details of all other loans / grants / support sought or given (including reasons for any refusal of funding).
 - vii. Confirmation from the potential lending sources (e.g. bank) that it will not provide the finance.
- f. The Council may seek third party advice and support in assessing **an application and, where this is the case, the applicant's** permission to share information will be sought.
 - g. An assessment of any state aid implications will be carried out by the Council on receipt of any loan request. If a loan application includes the features of state aid then the loan is prohibited unless it is covered by an exemption under state aid rules.
 - h. **An assessment of the applicant's overall cash flow position,** spending requirements and overall prudential controls will be carried out by the Council on receipt of any loan application. The Council must ensure that the issuing of any loan does not have any negative impact on its own cash flow and spending requirements. The loan will need to be able to be **afforded within the Council's** Capital funding and Medium Term Financial Strategy.
 - i. An interest rate will be applied on the loan to ensure an acceptable return on capital employed. An arrangement fee determined by the **Council's Section 151 Officer** will also be payable dependent on the complexity of the application.
 - j. Applications should not be considered from new businesses unless the circumstances are exceptional (e.g. a joint venture project formed for the purposes of a particular project).
 - k. Loan applications recommended for approval by the appropriate **Council officers will ultimately be determined by the Council's** Executive. Depending on the funding of the loan, however, Council authority may be required. Loan applications not approved by Council officers will be reported to Executive.

3. Loan agreement

- 3.1 The granting of a loan will be subject to a written contractual loan agreement in a form approved by the Council's Section 151 Officer and the Council's lawyers, and entered into by the relevant organisation and the Council. The loan agreement will include details of the agreed terms upon which the loan is granted, including:
- a. conditions of loan
 - b. loan duration and repayment details, including repayment of principal, interest and other costs (as appropriate)
 - c. loan security, including fixed and floating legal charges and guarantees
 - d. insurance requirements
 - e. recovery and enforcement arrangements in case of default of loan terms and conditions
 - f. provision for recovery of any fees incurred for items including, but not limited to, validation of financials, legal advice on loan security arrangements, and so on.
- 3.2 The period of the loan should be consistent with the loan purpose and other factors relevant to repayment term, e.g. the asset life subject to a maximum period of 20 years.
- 3.3 Interest will be charged on loans and apply until the principal of the loan is fully discharged. The rate of interest to be charged should reflect the nature of the project / initiative for which loan finance is sought and the outcome of the business case (including ability of the project / initiative to generate financial return). Consideration of the loan interest rate will take into account, and not necessarily limited to, the following factors:
- Prevailing and forecast market interest rates
 - **The Council's cost of funding** (including interest and Minimum Revenue Provision)
 - State Aid requirements
 - Principal repayment provisions
 - The financial strength of the organisation
 - The collateral offered as loan security
 - A suitable contribution to cover the perceived risk of the loan
 - **A contribution to the Council's on-going costs of administering the loan**
- The Council may offer either a fixed or variable rate facility, as determined **by the Council having taken into account the advice of the Council's Section 151 Officer.**
- 3.4 Loans should be secured via a fixed or floating charge over assets. Ideally loans should be secured via a fixed charge on substantive assets such as freehold land and buildings, but where this is not possible, a floating charge relating to a group of assets may also be considered.

4. Approval process

- 4.1 All loan applications will be subject to approval by Executive Committee or Council. The report accompanying each application will include an officer recommendation in respect of acceptance or rejection of the loan application. Any resolution for the approval of a loan should also include an acknowledgement of any exceptional risks (for example, approval in spite of inadequate security) and also include clear written reasons for any approval given in spite of such risks associated with the proposed loan.
- 4.2 Requests from relevant organisations to change materially the terms of Loan Agreements (including applications for top up loans or repayment holidays) should be considered by the Section 151 Officer in consultation with the Portfolio Holder for Finance, taking legal advice as necessary.

Employment Committee

Excerpt of the Minutes of the meeting held on Tuesday 10 December 2019 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Margrave (Chairman); Councillors Cooke, Day, B Gifford, Jacques, Kennedy, Kohler (arrived late), Tangri (arrived late), Tracey and Wright.

21. **Apologies and Substitutes**

- (a) there were no apologies made; and
- (b) Councillor Cooke substituted for Councillor Hales.

30. **People Strategy Update**

The Committee considered a report from Human Resources which gave an update on the progress made on the People Strategy Action Plan and associated areas as discussed at the People Strategy Steering Group (PSSG), the Joint Communication Forum (JCF), Members/Trades Unions Joint Consultation & Safety Panel (MTU) and Senior Management Team (SMT).....

After the Employee Code of Conduct had been approved by Council in January 2019, certain changes had come to light and would therefore need further approval by Council. The Committee was asked to recommend to Council the changes as detailed in the Appendix 1 to the report.....

Recommendation 2.6 of the report sought Employment Committee support for a recommendation to go forward from it to Council for the revision of the responsibilities the Committee currently held in respect of staffing structures below Chief Executive level (i.e. excluding Heads of Service, Deputy Chief Executives and Chief Executive). The revision would mean the responsibility for any restructures below Chief Executive level would be delegated to the Chief Executive as Head of Paid Service. The Human Resources Manager advised the Employment Committee that should it be minded to approve Recommendation 2,6 in the report, it should stipulate that the changes be effective from 11 December 2019 so that it was absolutely clear that it still had authority to approve recommendations on staffing structure changes for the rest of the items on the agenda.

Recommended to Council that:

- (1) the updated Employee Code of Conduct as set out at Appendix A to the minutes, be approved; and
- (2) the responsibility of the Employment Committee is amended so that it is revised to read as follows (*italics* additions, ~~struck through~~ deletions):

To approve ***amendments to*** the staff establishment ***in respect of Chief Officers*** of the Council, ***as defined in Article 12 of the Constitution***, in accordance with the Council's agreed budget; and

- (3) the Chief Executive, as Head of Paid Service, be delegated authority to:
"make all changes to the establishment/structure of the council below the level of Chief Officers, as defined in Article 12 of the Constitution", in accordance with the Council's agreed budget."

(The meeting ended at 7.18 pm)

CHAIRMAN
24 March 2020

Warwick District Council Code of Conduct

Appendix A



Code of Conduct



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Code of Conduct

Revision History

Document	Code of Conduct
Author	Richard Barr Graham Leach Tracy Dolphin
Date Completed	July 2019
Review Date	July 2020

Version	Revision Date	Revised By	Revisions Made
	23.1.19	RB TD GL	Full Council Approval
	16.7.19	RB TD GL	Grammar

Approvals

This document requires the following approvals:

Name	
Senior Management Team	13.11.19
Employment Committee	10.12.19
Full Council	

Distribution

This document has been distributed to:

Name	
All Staff/Unions	

EMPLOYEE CODE OF CONDUCT

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Appendices:

**Declaration Form for Interests
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The Seven Principles of Public Life (Revised January 2013)**

Warwick District Council Employee Code of Conduct

1. Introduction

- 1.1 The people of Warwick District Council expect and deserve the highest standards of service and behaviour from all Council staff. This Code sets out our values, rules and principles. It is not a complete list of what you can and cannot do, but its aim is to enable all employees of the Council to understand the ground rules that all must observe and the standards we expect from you as a Council employee.
- 1.2 This code is based upon the Seven Principles of Public Life (known as **'The Nolan Principles'**). **These principles** are relevant to everyone who works in public service and are set out in full as Appendix 1 to this Code.
- 1.3 In addition, the Council has adopted five core values. These provide a framework for every action and decision that the Council takes. The five core values are:
- Honesty and openness
 - Community focus
 - Fairness and equity
 - Environmental awareness
 - Value for money
- 1.4 Our standards are high because Council services affect the health and wellbeing of the community we serve.
- 1.5 Our work is democratically controlled and open to public scrutiny. It is often politically sensitive, and can depend on public confidence in the Council.
- 1.6 This Code applies to all Council staff. This Code does not form part of your contract of employment with the Council, and the Council reserves the right to amend it at any time.
- 1.7 Repeated or intentional breaches of the Code and the standards it expresses may result in disciplinary action, with one possible consequence being dismissal from your employment. In some cases, for example, if there is evidence of corruption or fraud, the Council may even refer the matter to the police for prosecution. We also expect all staff to operate within the law. Unlawful or criminal behaviour, even away from work, may lead to action against you by the Council and/or a referral to the police.
- 1.8 It is your responsibility to read this Code and work in accordance with it. If you are unsure about any aspect, check it with your manager or with HR. Copies of any documents referred to in this Code are available via the intranet or from your manager on request.
- 1.9 This Code applies to all staff including those professionally qualified staff that may be subject to codes of conduct or ethics imposed by their own professional bodies. In the unlikely event of a conflict arising between this Code and an external code or requirement then the officer concerned must raise the matter with their Head of Service or Monitoring Officer as soon as possible.

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1.10 This Code forms part of the Constitution of the Council.

2. Working for the public and with other staff

2.1 We are here to serve the people who live in, work in, or visit the District. This requires a positive commitment to public service and putting our customers and the community first. Our services can have a profound effect on the quality of their lives and we have a duty to give our best at all times. They have the right to expect us to be receptive, open, honest, helpful, considerate, responsible, sensitive, and maintain confidentiality.

2.2 You must:

- (a) report any inappropriate behaviour, such as verbal or physical abuse by customers, colleagues or Councillors, to your manager
- (b) never demean, distress or offend the decency of others by, for example:
 - posting or displaying any commentary, content or images which could reasonably be seen by others as discriminatory, defamatory, offensive, pornographic, threatening, harassing, bullying, intimidating, degrading, sexually suggestive or any other inappropriate or insensitive remarks
- (c) **follow the Council's Equal Opportunities Policy and must not** discriminate against people you meet in the course of your work on any grounds.

You should also be **aware of the Council's policy on harassment, and** behave in a way that creates an inclusive, open work environment. If you become a victim of harassment in the course of your work you should report this in accordance with the agreed procedure

- (d) never take advantage of anyone, or use your position at work to further any aims that are not related to the Council or which improperly confers an advantage or disadvantage on any person
- (e) never use your work or position at work to further the aims of any political party or political activity
- (f) not use your work to further the aims of any group other than the Council whilst at work, (whether or not the group's ideas are in conflict with Council policies)
- (g) not inappropriately disclose or misuse confidential information that you know about Councillors, customers, staff, contractors, or other organisations working with the Council
- (h) disclose any matter to your manager that it is your duty to report within this Policy
- (i) respect other people, their rights and property

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- (j) ensure your conduct does not give anyone any reason to question your motives
- (k) comply with the requirements of Council policies.

2.3 You should:

- (a) meet or exceed established standards of service when dealing with people in person, by phone, letter or e-mail, whether they are customers, colleagues at work, colleagues employed outside the Council or other delegates on a training course. Always be:
 - polite, positive, responsive and considerate. Always take a positive approach in all dealings with our customers
 - as clear as possible about the decisions and actions that we take and the reasons for them
 - accountable to the public, by identifying yourself (with name badges, if issued)
- (b) avoid actions in public areas that may discredit the Council
- (c) maintain a professional approach to your job. Do not let friendships lead to a conflict between your own interests and that of the Council
- (d) treat colleagues with respect, in day-to-day working relationships, in all forms of communication.

3. Management and staff relations

3.1 Working with your manager

- 3.1.1 Your manager is there to support you and give you direction in your work. You are expected to be accountable and show loyalty to the Council and to support its managers and other officers. A climate of mutual confidence, trust and respect between managers and staff is essential to achieving work targets and providing a high quality service.
- 3.1.2 You must carry out all relevant and reasonable instructions that apply to your role.
- 3.1.3 You should work reliably and never neglect your work.

3.2 Working with your staff

- 3.2.1 For the Council, the people it employs make a difference. The Council expects managers to provide staff with clear direction, positive motivation and the opportunity to develop their skills and to jointly deliver quality services to the public.
- 3.2.2 You must:

Warwick District Council Employee Code of Conduct

- (a) manage according to the principles set down in the Council's Policies (in, for example, matters of recruitment, discipline, performance management)
- (b) deal with staff fairly and consistently
- (c) provide your staff with a working environment that is free from any form of unfair discrimination, victimisation, harassment, or hostility
- (d) provide your staff with a safe and healthy working environment.

3.2.3 You should:

- (a) set standards of work, give constructive feedback and advice to staff on performance and, where necessary, on how improvements can be made to working practices to ensure standards are met
- (b) set work priorities for staff in consultation with them
- (c) support and assist staff to carry out their work properly
- (d) be aware and monitor the hours being worked by staff to ensure a consistent work life balance
- (e) develop your staff to meet the current and future needs of the individual, team and service.

4. Working practices

4.1 Health and Safety

- 4.1.1 It is a legal duty to ensure, so far as reasonably practicable, the health, safety, wellbeing and welfare of everyone in the workplace (including members of the public). Therefore, the Council aims to promote a good healthy and safe working environment amongst its staff. You have a **responsibility to comply with the Council's Health and Safety Policy** and to contribute to a safe working environment. Failure to do so may put you, the public or other staff at risk.
- 4.1.2 All employees have the responsibility to co-operate with supervisors and managers to achieve a healthy and safe workplace and to take reasonable care of themselves and others and, where appropriate, to use safety/protective equipment that is supplied. Whenever an employee, supervisor or manager notices a health and safety problem which they are not able to put right, they must immediately inform their line manager.
- 4.1.3 An employee of Warwick District Council must comply with the safety requirements of any contractor whilst on their premises or on Warwick District Council premises being managed by others. If any employee identifies safety standards which are below those required by Warwick District Council, that employee will first bring them to the attention of the senior person at that location and if the condition is not immediately

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rectified, advise their supervisor within Warwick District Council of their intention not to proceed further until rectification has taken place.

- 4.1.4 Where the employee considers there is possible danger to themselves or others, they must not proceed further until the situation, equipment, or machinery has been rendered safe.
- 4.1.5 Each member of staff should have particular regard to Sections 7 and 8 of the Health and Safety at Work (abridged) Act 1974 which places responsibilities on all employees.

4.2 Sickness Absence

- 4.2.1 You must follow the Council's Sickness Absence Policy. You must never claim sick leave when you are not sick.

4.3 Hours and attendance

- 4.3.1 Integrity in attendance at your place of work and reporting absences is critical to the success of Council services. Poor attendance and time keeping increases costs, reduces service levels and undermines the reputation of you and the Council. You should not accrue amounts of flexitime credit or time off in lieu, outside the levels in the relevant policies, unless agreeing this with your line manager first.
- 4.3.2 You must:
 - (a) comply with the time keeping requirements of your job
 - (b) be in your place of work and working when you should be
 - (c) ask your supervisor/manager if you need to take time off (for example, for a doctor's visit)
 - (d) agree with your manager any leave or time off you want in advance.

4.4 Working honestly and with integrity and impartiality

- 4.4.1 We expect you to perform your duties and use the Council's money and resources with honesty and be able to demonstrate this at all times. It is a criminal offence for you to give, receive or ask for any gift, reward or advantage for work done in your official capacity.
- 4.4.2 As a Council employee, you are expected to meet the highest standards of conduct and integrity. These high standards must equally apply, and be seen to apply, in your conduct and relationships with the public. From the way you conduct yourself there should be no reason to suspect you are seeking opportunities for private gain. You must not undertake any private commitments or activities that may reasonably be considered to bring the Council into disrepute or impair your performance or detrimentally conflict with the Council's interests.

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4.4.3 Certain posts within the Council are legally designated as politically-restricted. This means that as an employee you would be debarred from any form of political activity as this would be seen to produce conflicts of interest. A list of these posts is published on the intranet together with relevant guidance. You should familiarise yourself with these. You should discuss any concerns you have with your head of service, the Deputy Chief Executive or the Monitoring Officer.

4.4.4 The relationships that the Council has with its partners, contractors, consultants, community groups, suppliers and others, must be managed so that there can be no suspicion of corruption or dishonesty with public money. The Council may require you to complete a declaration of related party transactions and this information could be disclosed in the annual Statement of Accounts.

4.4.5 You must:

- (a) not act corruptly and you must avoid any actions that could be interpreted in this way by others

Examples could include:

- asking or accepting bribes or inducements of any sort
 - seeking or taking any reward or favour for providing Council services apart from your pay
 - taking a reward from anyone who has, or might have a contract with the Council, or work in partnership with it.
- (b) report to your Head of Service, as soon as possible, any offers of money, favours, gifts or hospitality you are offered or receive (even if you refuse them). As an officer you should ensure that these approaches/offers are recorded in line with the Gifts and Hospitality procedure by recording it in the register and that you retain a copy of the necessary declaration for your own records
- (c) return any gifts and refuse any hospitality your Head of Service says you cannot accept
- (d) never ask for or accept a gift or tip or 'Christmas box', because:
- you are already paid for the work you do
 - people may believe they will get better service if they tip well and worse if they do not
 - this is not the basis on which the Council delivers services.
- (e) **not become involved with the making of service users' wills or with soliciting any form of bequest or legacy from a service user**

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- (f) report to your Head of Service if people you meet through work leave you things in their Will
- (g) not borrow money from, lend money to, sell or dispose of goods belonging to service users
- (h) comply with the Council's Codes of Financial Practice and Procurement Practice. If your job includes making payments or letting contracts, you should make sure you understand the Council's rules
- (i) never obtain Council property or money when you are not lawfully entitled to it (this includes subletting Council property without authority)
- (j) not act fraudulently and you must report any suspicion or evidence of fraud you may have. Fraud happens when someone gets some benefit (usually money or property) through deception. This could include examples of:
 - falsifying documents to claim pay, bonus or sick pay
 - claiming housing benefit (and similar benefits) to which you are not entitled
- (k) serve the people of the District honestly and deal honestly with the Council. This could include examples of:
 - never wilfully withhold any payments owed to the Council (like rent or Council Tax)
 - never make fraudulent claims for public money (like housing benefit or income support)
- (l) inform your line manager in writing of all work undertaken outside of your employment with the Council and declare any actual or potential conflicts of interest between your work, other colleagues and outside activities of yourself and close family.

If your employment with the Council is paid on scale point 32 (or equivalent) and above, you must have written permission from your Head of Service, or if you are a Head of Service from the CMT, prior to commencing any additional employment.

All such work should be recorded on Appendix 2 to this document and issued to your Head of Service (or the CMT) and it will be retained on your personnel file.

You must ensure that any outside work does not affect adversely your work with the Council and that it does not create a conflict of interest with the Council. Your prime loyalty should be to the Council.

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- (m) never do private work when you are claiming time for working for the Council
- (n) never abuse your position with the Council to benefit yourself, your family, your friends or any outside organisation or political party. If you live in the District you must not use your working relationships to influence matters such as planning applications or enquiries
- (o) respect Council property or equipment. Take care not to waste, lose or damage it. Do not use Council property and equipment for your **own personal benefit. You should use the Council's equipment in accordance with the Council's relevant rules, codes and policies**
- (p) obtain written permission for any private use of Council equipment, **whether at home or in the Council's offices, as agreed by your manager** for use on Council business
- (q) fill in accurately and honestly any document, form or record your managers need for work. Never destroy, damage, alter or falsify any such document or record
- (r) not be involved in the appointment or any other decision relating to the discipline, promotion, pay or conditions of another employee, or prospective employee, who is a member of your family or any person with whom you have a close association.

4.4.6 You should:

- (a) do nothing that could be seen as likely to bias your work, your decisions or your impartiality. Therefore you must be fair and impartial in dealing with all customers, competitors, suppliers, contractors, sub-contractors, partner organisations and sponsors
- (b) be careful about pursuing an association with someone who may benefit from your work for the Council. For example, it is unwise to allow yourself to become indebted to someone who may wish to benefit from your work or position in the Council
- (c) seek prior approval from your Head of Service if you are asked to give lectures, or wish to publish material, inventions or patents, that are related to the work you do with the Council

4.4.7 You must advise your Head of Service in writing if:

- (a) you have links with a group whose aims might be in conflict with Council policy, or involvement with an organisation receiving grant aid from the Council, or involvement with an organisation or pressure group which may seek to influence the Council's policies. This also applies to membership of any organisation not open to the public, with commitment of allegiance and which has secrecy about rules of membership or conduct and which furthers the interests of its members over the interests of others

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- (b) you have, or develop a relationship with someone, that might be seen to lead to a potential conflict of interest. This is only necessary where there is likely to be a conflict of interests but could include being someone's landlord, being in debt to someone, having a close personal relationship with a Councillor, client, customer, service user, employee or contractor
- (c) you are offered a job with a competitor organisation, or one we are in partnership with
- (d) you or your close relatives hold any Directorships or positions of influence in any companies linked with the Council.

4.5 Gifts and Hospitality

- 4.5.1 Whenever possible you should always decline, politely, any gifts or hospitality offered to you as a result of your work as an officer. When this is not possible, without causing offence you may accept the gift or hospitality but you must report it to your line manager.
- 4.5.2 Even if you decline or accept an offer you must record all gifts and hospitality considered to be equal to or above the value of £10 that are offered to you in the course of your duties for the Council. These include those from Councillors, contractors, other public bodies, partner organisations, consultants or others with whom you have a business relationship.
- 4.5.3 A central register is kept by the Democratic Services Manager & Deputy Monitoring Officer (and a copy should be provided to HR for inclusion on the employee's personnel file) for recording gifts/hospitality, their value, the person or organisation offering them and whether they were accepted. A form for registering these is attached as Appendix 3 to this document.
- 4.5.4 If you are not sure about how to react to such offers you should seek advice from your line manager or Head of Service.
- 4.5.5 You must:
 - (a) declare any gifts or hospitality in a timely and accurate manner
 - (b) raise any concerns about a potential gift or offer of hospitality with your manager as soon as you become aware of it.
- 4.5.6 Failure to declare any gifts or hospitality in accordance with this Code will be considered a disciplinary offence and one of the sanctions that could be imposed is dismissal.

4.6 Working with sensitive information

- 4.6.1 We expect you to use sensitive information properly and to have due respect for confidentiality. Information gathered while working for the Council, whether held electronically or by other means, should not be used for commercial or personal gain, **someone else's gain** or otherwise

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misused. Due regard needs to be **given to the Council's Information Security Policy**.

4.6.2 You must:

- (a) not knowingly disclose information given to you in confidence by anyone, or disclose information acquired that you believe is of a confidential nature, including commercially sensitive information, without the consent of the person authorised to give it, or unless you are required by law to do so
- (b) not knowingly prevent another person from gaining access to information to which that person is entitled by law
- (c) know what information the Council treats as confidential and commercially sensitive information. (If in doubt, check with your manager.)
- (d) know who is entitled to have access to what information
- (e) be responsible and professional in using and allowing authorised users access to personal information on clients, customers, staff and others
- (f) use personal information in line with the Data Protection Act 2018 and General Data Protection Regulation
- (g) report to your manager anyone, whether another member of staff, a member of the public or a Councillor, who attempts to put pressure on you for access to information to which they are not entitled.

4.7 Working within the law and the Council's Constitution

4.7.1 The Council expects you to work within the law. Council powers are set by a framework of laws and regulations. In order for its decisions and actions to be held to be reasonable in law, the Council must carry out its business in a way that is rational, proper and fair. Unlawful or criminal behaviour at, or even away from, work may result in a loss of trust and confidence in the employee or the Council.

4.7.2 You must inform your Head of Service in writing immediately if you are charged with or convicted of a criminal offence or receive a caution whilst you are employed by the Council (this includes events having taken place outside of your working hours). The Council would then need to consider whether this charge, conviction or caution could reasonably be considered to bring the Council into disrepute or makes you unsuitable to carry out your job. Whilst not an exhaustive list, examples would include:

- submitting false or fraudulent claims to the Council or other public bodies (for example, income support, housing or other benefit claims)

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- breaching copyright on computer software or published documents
- offences against children and/or sexual or violent in nature that may render you unfit to work with children or vulnerable adults
- crimes of dishonesty that render you unfit to hold a position of trust.

4.7.3 The Constitution sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Whilst you should have a general awareness of the Constitution the areas that you are expected to have a good knowledge of are the Code of Financial Practice and Code of Procurement Practice. The Code of Financial Practice **provides the framework for managing the Authority's financial affairs and applies to every member and officer of the Authority and anyone acting on its behalf.**

4.7.4 Breaches of financial rules are taken seriously and the Head of Finance is responsible for reporting breaches of these rules to the Council and/or Executive.

4.7.5 You must:

- (a) have an understanding of the Code of Financial Practice that is appropriate to your job
- (b) complete any financial work in accordance with the Code of Financial Practice
- (c) inform your Head of Service, the Head of Finance or the head of Internal Audit immediately if you become aware of any breach of the Code of Financial Practice or if you suspect any breach may have occurred.

4.8 Working with Councillors

4.8.1 Councillors expect staff to contribute to proper and effective working relationships with them. You serve the Council as a whole – all Councillors – and not just those of any particular group. You must ensure that the rights of Councillors are respected. You must maintain political neutrality at work and be seen to be impartial.

4.8.2 Close personal familiarity between individual Councillors and officers can damage this relationship and give rise to the appearance of improper conduct. Generally, a close relationship between a Councillor and member of staff is incompatible with the high standards of public life that the Council is promoting. If such a relationship exists or begins to develop you must discuss this as soon as practicably possible with your Head of Service.

4.8.3 You must:

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- (a) serve all Councillors impartially and professionally, not just those of a particular political group
- (b) do nothing to disrupt Council meetings
- (c) dress and behave with appropriate formality at official events and meetings
- (d) deal with Councillors' enquiries efficiently and within the agreed timescales
- (e) disclose to your Head of Service any family, business or close personal relationships with Councillors
- (f) report to your Head of Service any time a Councillor asks or pressures you to deal with a matter outside of Council procedure or policy
- (g) not seek to influence Councillors prior to any appointment
- (h) not canvass Councillors on individual employment-related matters for which there are Council approved procedures (for example, in matters of recruitment, discipline, unsatisfactory performance, terms and conditions of employment)
- (i) report any claims or allegations about other staff to an appropriate manager, and not to Councillors
- (j) not take advantage of your status as a Council employee to gain privileged access to a Councillor to advance your interests or views as a resident of the District. This is especially important in matters such as planning applications and enquiries.

4.8.4 You should:

- (a) not permit your own personal or political opinions or preferences to interfere with your work or working relationships with Councillors
- (b) report to your Head of Service if you have concerns that a Councillor's conduct or treatment of staff is inconsistent with Council policies.

4.8.5 Extensive guidance to Members and officers of the Council in their relations with one another is set out in the Member/Officer Protocol, and the Employee Code of Conduct should be read in conjunction with that protocol.

4.9 Managing contact with the Media

4.9.1 The Council expects staff to promote the policies and reputation of the Council and act as ambassadors. Contact with the press and media is conducted through the Media Team. This protects individual employees from unwanted media attention and allows the Council to manage its

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reputation properly. Relations with the media require specific skills and expertise and staff should not discuss Council business with the media without their Head of Service's prior permission, unless you act as spokesperson for one of the Council's recognised trade unions in pursuit of legitimate industrial relations activities.

4.9.2 Staff must comply with the Council's Media Policy.

4.9.3 You must:

- (a) get permission from your Head of Service to speak, write, or give interviews to the media whilst representing the Council
- (b) never bring the Council's name into disrepute in any other way through the press and other media
- (c) never bring the Council into disrepute by publicising material that is confidential, or against the interests of the Council, or its employees
- (d) not leak information to the press and media except within the **exclusions provided strictly by the Council's Whistleblowing Policy**
- (e) refer enquiries from the media to the Media Team in the first instance.

4.10 Reporting Improper Conduct – The Confidential Reporting Policy

4.10.1 We are committed to preventing any malpractice, fraud, corruption and any other actions that are illegal or not in the best interests of the Council's customers. The people of the District expect and deserve the highest standards of public service and we rely on all staff to play their part. You have a duty to report any reasonable suspicions of malpractice, fraud, poor practice or illegal activities. We have a duty to act on any information from whistle-blowers and to protect you if you speak out. **The Council's whistleblowing policy sets out the reporting process.**

4.10.2 All managers have an absolute duty to act on employees' legitimate concerns. Failure to do so will be a disciplinary matter. Victimising staff that raise legitimate concerns or deterring someone from speaking out about fraud or abuse will be treated as a serious disciplinary offence. **The detail of this is included with the Council's Disciplinary Policy.**

4.10.3 The Council will:

- (a) take you seriously when you come forward and act in a fair and reasonable manner to tackle any impropriety that is found to have taken place
- (b) do everything reasonably possible to support you and protect you from reprisals
- (c) do everything reasonably possible to protect your confidentiality

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(d) tell you what action is being taken.

4.10.4 You must:

- (a) know what practices are acceptable and which are not (as set out in this Code and the Whistleblowing Policy) – check with your manager if you are unsure
- (b) report immediately any irregularities, malpractice, illegal or fraudulent activity, or any abuse or suspected abuse, either of staff or customers
- (c) immediately report any matters that you feel have not been properly dealt with
- (d) provide any evidence or relevant information you have
- (e) report any concerns about corrupt or improper conduct by others to your line manager, in the first instance. If you do not feel able to approach your line manager, you should report your concerns to your Head of Service or the Chief Executive, the Council's Monitoring Officer or the Audit and Risk Manager.

You also have the right to raise concerns about financial malpractice **with the Council's External Auditors** as set out in the Whistleblowing Procedure

(f) never abuse this process by raising allegations that are known to you to be unfounded. This will be considered as a disciplinary matter.

4.11 Gross misconduct

4.11.1 The Council will apply this Code of Conduct consistently and fairly. It is a public document and is distributed to all staff. Any breaches of the Code may result in disciplinary action which could result in your dismissal.

4.11.2 Some breaches (known as gross misconduct) could potentially be deemed serious enough to justify the Council in dismissing staff for a first offence, and without notice. The examples of gross misconduct below are given so that you can judge what could potentially compel the Council to dismiss you. This is not a complete list, since each case will be decided on their individual facts and circumstances.

4.11.3 For illustrative purposes only, these are examples where the Council will consider dismissing you for gross misconduct:

- (a) conceal any matter that you should report in line with Council Policies
- (b) disclose any matter that you should keep confidential
- (c) succeed in getting a job by lies or deception

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- (d) commit any acts of discrimination, harassment or victimisation
- (e) threaten, fight with, or assault anyone
- (f) steal or take or damage things that belong to someone else and/or the Council
- (g) seriously demean or offend the decency of others
- (h) act in a way that resulted, or would have resulted, in injury or danger to yourself or others
- (i) undertaking private work when you are claiming time for working for the Council
- (j) breach financial regulations or standing orders
- (k) refuse to make or abide by an agreement to repay any debt you owe to the Council
- (l) break a law at/or away from work which makes you unsuitable for the work you do or would damage, or could potentially damage, public confidence in the Council
- (m) obtain Council services, property or money by fraud (for example, falsify timesheets)
- (n) submit false or fraudulent claims to the Council or other bodies (for example, income support claims, housing or other benefit claims)
- (o) ask for or accept bribes, gifts or favours
- (p) disrupt Council meetings
- (q) discriminate against another person, in conflict with the Council's Equal Opportunities Policy.

NB: This list is not exhaustive

4.12 Working with External Organisations

4.12.1 Members of staff become involved in external organisations from time to time. This can result from being appointed by the Council as its representative or by other means. Examples of such organisations could be working groups such as the West Midlands Information Governance Forum or the local crime and disorder reduction partnership.

4.12.2 Staff must be careful about any conflict of interest that may result. These can often occur where an officer's role overlaps with the interests of another organisation.

Warwick District Council Employee Code of Conduct

Particular care is needed in relation to executive positions in external organisations such as trusteeships, or various offices such as Chairman, Treasurer or Secretary.

- 4.12.3 The Council's protocol on partnerships and other external organisations provides advice for the conduct of members and officers when representing the Council on external partnerships and other organisations.
- 4.12.4 The Council's policy is for such executive appointments to be avoided where there is any possibility of a conflict of interest. Staff must take advice from their Head of Service if they are in doubt.
- 4.12.5 All appointments must be approved by your Head of Service and who will ensure they are recorded centrally with the Democratic Services Manager.
- 4.13 All employees must follow the Council agreed guidelines for volunteering to work on a recognised WDC project/event including elections and referendums.

5. Guidance notes on the declaration of pecuniary and personal interests

5.1 Introduction

- 5.1.1 The Code of Conduct covers all employees working under a contract of employment within Local Government, including session workers and casuals. Some of the issues covered by the Code may affect senior, managerial and professional employees more than it may others.

5.2 Advice

- 5.2.1 You should not maintain outside interests that are to the detriment of your work with the Council or that conflict with your employment/position within the Council.
- 5.2.2 If you are in doubt as to whether or not you have specific outside interests which should be declared, you should contact your manager in the first instance or your Head of Service. If you do not wish to discuss these issues with your manager, you should contact HR.
- 5.2.3 Shareholders (Part B, Question 1.2 of the declaration form) – you are only required to declare shareholdings that could be directly related to your work, for example, shareholdings that provide a measure of control of a company which has dealings with the Council, or shareholdings, the value of which might be affected by Council work in which you are involved.
- 5.2.4 Grant Aid/Professional Bodies (Part B, Question 1.3 of the declaration form) – where you are involved either yourself in the running of a group or organisation as a Committee member, or involved in the decision-making process, then you should declare this only if it has a clear impact

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on your area of work and conflicts with the Council's interests. If you are in any doubt about this you must discuss it with your manager.

- 5.2.5 Membership of Clubs, Associations and Societies (Part B, Question 2 of the declaration form) – this includes special interest societies, charities, groups that are grant-aided by the Council and pressure groups. This includes declaring any membership of organisations not open to the public, with commitment of allegiance, which has secrecy about rules of membership or conduct and which furthers the interests of its members over the interests of others. These need only be declared where there may be a direct impact on your area of work with the Council.
- 5.2.6 Professional Bodies (Part B, Question 3 of the declaration form) – if you are asked to do work and intend to use information relating to the Council for a group or organisation of which you are a member, you should declare your membership.
- 5.2.7 Housing Association/Tenants' Residents' Association (Part B, Question 5 of the declaration form) – if you are a Committee member of a Council Tenants' or Residents' Association, you should declare your membership where there may be direct impact on your area of work.
- 5.2.8 Trusts (Part B, Question 6.2 of the declaration form) – if you are a member of a charitable Trust or have any other interest you only need to declare it where there may be a direct impact on your area of work.
- 5.2.9 Recruitment of Relatives (Part V, Question 7 of the declaration form) – **the term "associated with" includes spouse, partner, close family members, e.g. mother, father, sister, brother and other persons with whom you have a close personal relationship.**
- 5.2.10 You must declare any contract that you or your spouse/partner – or the both of you – have with regard to the provision of a service or the supply of goods/assets to the Council, such as the lease of land or property to the Council.

5.3 Completing the Declaration Form

- 5.3.1 Please read the Code of Conduct carefully and consider whether you have any external interests that may need to be declared. If you are in any doubt about whether you should declare a specific matter, it is recommended that you declare it.

5.3.2 New Employees and those accepting new Contracts of Employment:

All newly appointed staff and existing staff accepting new contracts of employment will be required to complete a declaration of interests form as a condition of appointment.

This requirement will be publicised in the recruitment documentation sent to applicants. All staff will be required to declare interests before taking up their posts.

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5.4 Completed Declaration Forms

- 5.4.1 Once you have completed the Code of Conduct declaration form, you should forward it to your Head of Service for review and approval. It should then be forwarded to HR who will retain it on your personnel file and also store it on a central register that is kept by the Democratic Services Manager and Deputy Monitoring Officer. The information you give is strictly confidential.

5.5 Failure to declare/follow the Code

- 5.5.1 If you fail to return a declaration form, it will not, in itself, constitute a disciplinary offence. However, should a relationship or other issue emerge which was relevant and this has not been declared as set out in this Code, non-declaration might be taken as evidence of misconduct or gross misconduct which could potentially result in disciplinary action being taken against you.
- 5.5.2 Failure to follow the Code in any aspect may also be raised in disciplinary action being taken against you for a breach of the Council's rules or procedures.
- 5.5.3 The above instances may constitute a criminal offence under Section 117 of the Local Government Act 1972. Criminal sanctions may apply where an abuse of position has occurred as a result of a Council contract or where an employee or their relatives have gained pecuniary advantages.
- 5.5.4 In the case of someone wishing to complain about the conduct of an employee they should address their complaint to the relevant line manager or head of service and it would be for that Head of Service to determine, following an investigation **in line with the Council's complaints policy**, whether the employee contravened the Code.

5.6 Inspection of Information

- 5.6.1 Your declaration form will not normally be open for inspection to anyone, other than by your line manager, HR, or an officer undertaking an investigation into your conduct in line with agreed policies.
- 5.6.2 By completing a declaration form, this will not in itself represent any form of sanction or approval by the Council of the contents of the declaration.

5.7 Amending Declaration Forms

- 5.7.1 If your circumstances alter and you wish to amend or review a declaration form, or view your personnel file, please contact HR.

5.8 Confidentiality

- 5.8.1 The information given on the declaration form is given in the strictest confidence and must not be divulged inappropriately and inappropriate divulgence may result in disciplinary action being taken.

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Committee for Standards in Public Life:

The Seven Principles of Public Life (Revised January 2013)

Principle	Revised description
<i>Preamble</i>	The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.
<i>Selflessness</i>	Holders of public office should act solely in terms of the public interest.
<i>Integrity</i>	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
<i>Objectivity</i>	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
<i>Accountability</i>	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
<i>Openness</i>	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
<i>Honesty</i>	Holders of public office should be truthful.
<i>Leadership</i>	Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

CODE OF CONDUCT FOR EMPLOYEES OF

WARWICK DISTRICT COUNCIL:

Declaration form

- (i) This form must be completed by all new employees on joining the Authority.
- (ii) This form must be completed and signed by all employees in politically restricted posts. Other staff must complete this form if there is any matter which they are required to declare.

Please read the Code of Conduct for Council Staff and associated Guidance Notes on the declaration of pecuniary and personal interests before completing this form.

Please print clearly in black ink

Name: _____

Work Address: _____

Section: _____

Telephone Number: _____

PART A

1. Employment

1.1 I am/will be employed by the Council as:

(If you have more than one job in the Council, please list all those jobs)

1.2 I also work as:

Employer's name and nature of business:

1.3 I am also self-employed as:

I trade under the following names:

PART B: Personal Interests of Employee

1. Financial interests

1.1 Directorships: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I, or my close relative, (wife, husband, partner, parent, child, for example) hold the following Directorships in the following companies:

1.2 Shareholdings: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I, or my nominees, own shares in the following companies:

1.3 Grant Aid/Professional Bodies: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I have recently applied or intend to apply for a grant on my own behalf from the Council.

Yes / No

If 'YES' specify nature and amount.

A group or organisation in which I am involved in the running (and in the decision-making process) has applied for and/or intends to apply for a grant from the Council.

Yes / No

If 'YES' specify nature, amount and your position in group/organisation.

2. Clubs, Associations and Societies: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I have a personal interest in or membership of the following clubs, associations or societies which has the potential to conflict with the interests of the Council:

Warwick District Council Employee Code of Conduct

3. Professional Bodies: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I am involved in the decision-making process of the following bodies:

(Please state name and nature of any professional body/bodies in which you are a member).

4. Select Societies: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

I have a personal interest in/or membership of the following societies:

(Please state name and nature of any select societies in which you have a personal interest/membership).

Please state in what capacity you are a member:

5. Housing Association: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

5.1 I am a member or office holder of a Housing Association with properties in the District.

Yes / No

If 'YES' specify names, registered offices and capacities:

5.2 I am a member or office holder of a Tenants'/Residents' Association in the District.

Yes / No

If 'YES' specify names of Associations:

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6. Other Interests: If these interests are unlikely to have a direct impact on your area of work, you do not need to identify them.

6.1 I, or my partner, are associated with a limited company or unincorporated business.

Yes / No

Specify nature of Associations:

6.2 I am involved in the decision-making process of a charitable Trust

Yes / No

If 'YES' specify which Trust and nature of relationship with the Trust:

6.3 I have another interest which may impact on my work.

Yes / No

Please specify:

The Council encourages voluntary work, public duties and activities in support of the local community and employee involvement in these areas is welcomed and supported.

6.4 I have been appointed by a Government Minister as a member of a statutory undertaking or other bodies which is constituted in order to discharge or assist in discharging a statutory function.

Yes / No

If 'YES' specify bodies:

6.5 I am a Councillor in a Local Authority.

Yes / No

If 'YES' specify which authority and office/title held:

Warwick District Council Employee Code of Conduct

6.6 I am a co-opted member of a Local Authority Committee, Sub-Committee or similar body.

Yes / No

If 'YES' please specify:

6.7 I am a member of a school governing body and/or am on the controlling body of a parent/teachers association.

Yes / No

If 'YES' specify which association:

6.8 I am a Board member of a Hospital Trust/Health Authority.

Yes / No

If 'YES' specify Hospital Trust/Health Authority:

6.9 I serve as a Magistrate.

Yes / No

If 'YES' specify which Court:

7. Recruitment of Relatives

Are you related to, or have an association with, a Member of the Council or anyone working for the Council? The term 'associated with' includes spouse, partner, close family members (mother, father, sister, brother, for example) and other persons with whom you have a close personal relationship.

Yes / No

If 'YES' specify name and work area:

Warwick District Council Employee Code of Conduct

Declaration

Please see Guidance Note for Staff re: inspection of information (Paragraph 5.6).

I declare that I have read the Code of Conduct for Council Staff and associated Guidance.

Notes on declaration of pecuniary and personal interests and to the best of my knowledge and belief, the answers given above are truthful, accurate and complete. I undertake to inform my Head of Service of any change to these answers within 28 days of that change taking place.

Signed (Employee): _____ **Date:** _____

Signed (Line Manager): _____ **Date:** _____

When completed, please return this form to HR Support.

FOR OFFICE USE

Date received:

**WARWICK DISTRICT COUNCIL
REGISTER OF HOSPITALITY, GIFTS OR EMPLOYEE INTERESTS**

Officer's name	
Service Area	

HOSPITALITY AND GIFTS

Date	
Received from	
Given to or received by	
Type of gift/Nature of Hospitality	
Action taken (Accepted/Refused/Passed to charity/and so on.)	
Relevant circumstances/comments:	

APPROVAL

Signature of Employee	
Signature of Head of Service, Deputy Chief Executive or Chief Executive	
Date	

When completed, please return this form to the Democratic Services Manager and email a copy to HRsupport@warwickdc.gov.uk for inclusion on your personnel file.

FOR OFFICE USE

Date received: