

Council meeting: Wednesday, 23 March 2022

Notice is hereby given that a meeting of Warwick District Council will be held at the Town Hall, Parade, Royal Leamington Spa, on Wednesday, 23 March 2022 at **6.00pm**.

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 disclosed 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 23 February 2022.
(To Follow)

4. Communications and Announcements

As part of this item the Chairman will lead the Council in paying tribute to the Chairman of Finance & Audit Scrutiny Committee and Chairman elect of the Council for 22/23, Councillor Nicholls, who passed away on 14 March 2022.

5. Petitions

6. Notices of Motion

7. Leader and Portfolio Holders' Statements

8. Questions to the Leader of the Council & Portfolio Holders

9. Cabinet Report

To consider an excerpt from the Cabinet meeting of 10 March 2022.

(To follow)

10. Employment Committee

To consider the report of the Employment Committee of 15 March 2022

(To follow)

11. Membership of Committees

To consider any revisions to the membership of Committees, informal working parties or outside appointments from Group Leaders.

12. 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

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For enquiries about this meeting please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ

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WARWICK DISTRICT COUNCIL

Minutes of the meeting held at Shire Hall Market Place, Warwick, on Wednesday 23 February 2022, at 6.00pm.

PRESENT: Councillors Ashford, Bartlett, Boad, Cooke, Cullinan, Davison, Day, A Dearing, J Dearing, K Dickson, R Dickson, Evans, Falp, B Gifford, C Gifford, Grainger, Hales, Illingworth, Jacques, Kennedy, Kohler, Leigh-Hunt, Luckhurst, Mangat, Margrave, Matecki, Milton, Nicholls, Norris, Quinney, Redford, Rhead, Roberts, Russell, Skinner, Syson, Tangri, Tracey and Wright.

65. **Appointment of Chairman**

In the absence of the Chairman of the Council it was proposed, seconded and

Resolved that Councillor Redford be appointed as Chairman for the meeting.

66. **Apologies for Absence**

Apologies for absence were received from Councillors Barton, Grey, Morris, Murphy and Noone.

67. **Declarations of Interest**

There were no declarations of interest.

68. **Minutes**

The minutes of the meetings of the Council held on 17 November 2021 and 13 December 2021 were proposed, duly seconded taken as read and signed by the Chairman as a correct record.

69. **Communications and Announcements**

The Chairman informed Council that the nomination from this Council for the Queen's Baton relay, ahead of the Commonwealth Games, would be Councillor John Dearing.

The Chairman informed Council that there was no business to consider under item 5 - Petitions.

70. **Notice of Motion**

(a) It was proposed by Councillor Milton and seconded by Councillor Russell that:

"This Council acknowledges the importance of active travel in creating a healthy community and in positively contributing to our climate change goals. We welcome the recent changes implemented by the UK Government in the new Highway Code to make roads safer for all road users, especially vulnerable ones.

But we also believe that the pace of real change is too slow.

We therefore resolve to:

- *Write to the Secretary of State for Transport asking that a large scale communications campaign is undertaken to inform people of the recent changes to the Highway Code to embed good practice and realise the potential benefits.*
- *Write to the Chief Executive of Warwickshire County Council to:*
 - *request an update on the much delayed Kenilworth to Leamington Cycle route and to request an acceleration in progress and;*
 - *encourage WCC to move away from a risk-based 'predict and provide' approach to one of 'vision and validate' that actively promotes the hierarchy of road users and a shift to active travel*
- *Write to the Chief Constable of Warwickshire asking that the Force implements 'Operation close pass' in our district to further educate road users and to make the road environment safer for all users."*

It was proposed by Councillor Nicholls and supported by Councillor Kennedy that the motion should be amended to read as follows:

"This Council acknowledges the importance of active travel in creating a healthy community and in positively contributing to our climate change goals. We welcome the recent changes implemented by the UK Government in the new Highway Code to make roads safer for all road users, especially vulnerable ones.

This Council shares the concern of many residents and community groups like Cycleways and Clean Air for Warwickshire about reported problems with, and the slow progress of the K2L cycle route.

We believe that the pace of real change in enabling and promoting active travel is too slow and lacks quantified, and achievable targets and statements of intent as recommended by this Council.

We therefore resolve to:

1. *Write to the Secretary of State for Transport asking that a large scale communications campaign is undertaken to inform people of the recent changes to the Highway Code to embed good practice and realise the potential benefits.*
2. *Write to the Chief Executive of Warwickshire County Council to:*
 - *request an update on the much delayed Kenilworth to Leamington Cycle route with a clear commitment to a completion date and any additional funding that ensures an acceleration in progress and;*
 - *encourage WCC to move away from a risk-based 'predict and provide' approach to one of 'vision and validate' that actively promotes the hierarchy of road users and a shift to active travel*
3. *Write to the Chief Constable of Warwickshire asking that the Force implements 'Operation close pass' in our district to further educate road users and to make the road environment safer for all users."*

This amendment was accepted by Councillor Milton and Councillor Russell.

Councillors Milton, Nicholls, Kennedy, Evans, B Gifford, Day, Rhead and Russell all spoke on this item.

Resolved that the Motion, as revised above, be approved.

- (b) It was proposed by Councillor R Dickson and seconded by Councillor Kohler that:
- a) *the original plans for the NUCKLE line dual track service by the Department for Transport and Warwickshire County Council were promoted as a vital part of our local infrastructure, critical to the success of local businesses and the tourist economy. At a cost of £13.6 million its aim was to provide a half-hourly link for residents, businesses and visitors to the district with mainline services northwards to Birmingham and beyond and southwards to Oxford, London and the south coast;*
 - b) *these plans became even more important when this Council set its 2030 net zero carbon emissions target as part of its response to the Climate Change Emergency. This requires a modal change in transport usage to more sustainable forms of travel; and*
 - c) *since it started operating, the NUCKLE line service has proved to be an expensive white elephant and has failed to deliver. Frequent cancellation and suspension of services has meant residents and visitors don't trust the service's reliability and make little use of it.*

This Council will therefore:

1. *write to West Midlands Trains to welcome its recent announcement to restart the hourly service on the NUCKLE line on 27th February and to stress the importance of the reliability of the service to the communities it serves, and*
2. *write to the Department for Transport to call on the Secretary of State to bring forward with other regional stakeholders the investment required by the earlier promises to upgrade the Leamington-Coventry line from a single to a dual track so that the route becomes a vital part of the infrastructure by which this Council can achieve its Climate Change objectives and also encourages mainline train services to stop at Kenilworth station."*

Councillors, R Dickson, Hales, Falp, Bartlett, Grainger, B Gifford, Russell, K Dickson, Rhead, A Dearing, Wright, Kennedy, Cooke and Kohler all spoke on this item.

During the debate it was accepted by the proposer and seconder that the Council should also write to the two Members of Parliament which represented the District as well as the Portfolio Holder for Transport at Warwickshire County Council.

Resolved that the Motion as set out above, with the addition of letters to the two Members of Parliament which represent the District as well as the Portfolio Holder for Transport at Warwickshire County Council, be approved.

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

The Portfolio Holder for Transformation & Resources, Councillor Hales informed Council that

- (1) ICT were working on developing a single telephony platform across both Councils; and
- (2) after 18 years, the Head of Finance, Mike Snow, had decided to retire from the Council and he took the opportunity to thank him for all his work during this time.

The Portfolio Holder for Place & Economy, Councillor Cooke, informed Council that

- (1) in respect of the Omicron Hospitality and Leisure Grants to date, 357 payments had been made totalling £1,288,726; and
- (2) a meeting of the Joint Cabinet Committee would take place on 10 March 2022, which would consider reports in respect of proposals for the assessment of sites, and on the Evidence Base and details of the timetable of various steps in the plan including the consultation stages, submission dates and the examination in public which was expected to be completed by the close of 2025.

The Portfolio Holder for Climate Change, Councillor Rhead, informed Council that

- (1) the convenience charge for using RingGo, to pay for Council carparking, would be removed from 1 March;
- (2) the Council had been successful in a bid which would result in training and engagement on climate change for WDC with focus on engagement with parish/town councils; and
- (3) the net zero DPD had gone to consultation for a second time and it was anticipated to hold examination in public later this year.

The Portfolio Holder for Culture, Tourism and Leisure, Councillor Bartlett, informed Council that:

- (1) the Spa Centre had hosted Spark with over 300 delegates attending from across the creative industries;
- (2) it would be Leamington's 500th park run that weekend;
- (3) the two main leisure centres in Kenilworth were now closed and the pre-commencement conditions were being worked through, which would see the archaeological digs starting soon, followed by demolition;
- (4) the Commonwealth games were 155 days away. These would see live streaming of events, cultural fest and the Queen's Baton Relay; and
- (5) the Chairman would be raising the Commonwealth flag at both the Town Hall and Victoria Park on the 14 March 2022.

The Portfolio Holder for Homes, Health and Wellbeing informed Council that:

- (1) plans had been developed to open Riverside House up to the public between 9.00am and 2.00pm on an appointment only basis;
- (2) there were concerns that scammers could try to take advantage of members of the public in respect of the £150 council tax rebate. The payments from this would be made by direct debit, where the Council held details and if anyone did not pay by direct debit, they were advised to contact the Council; and
- (3) the Council had secured grants in excess for £7.2 million, along with a further £2.4 million funding from the HRA budget to help bring homes with an energy rating of Grade D and below up to at least a Grade C between now and March 2023.

The Portfolio Holder for Health & Community Protection, Councillor Falp, informed Council that Covid restrictions were easing but caution was necessary as the virus was in circulation.

The Leader, Councillor Day, informed Council that:

- (1) as the world moved towards the end of the pandemic, it was appropriate to acknowledge the extraordinary work by the officers of the Council that had been undertaken in not only supporting the communities with the daily work, but all the additional support in response to the pandemic;
- (2) the Council had an ambitious programme over the coming months with the joint local plan and waste contract; the integration of services along with the continued delivery of support/recovery grants; and
- (3) there was a planned meeting with the minister to discuss the proposed merger.

In her role as Chairman for the meeting, Councillor Redford asked for all Councillors to show their appreciation for the dedication and commitment of the Council's officers by providing them with a round of applause and recording the thanks of the Council to officers for their work in the minutes.

72. Questions to the Leader of the Council & Portfolio Holders

Councillor Kohler asked the Portfolio Holder for Finance if he could provide numbers from the Council Tax reduction scheme.

In response, Councillor Hales explained that the Council had a total of 7,500 cases, of which 17,00 were new since April 2021. 2,600 of the claims were those of pensionable age with the annual receipt being between £27 and £3,342. He was not aware of a deadline for applications and agreed to share this detail with Councillors.

Councillor Tangri asked the Portfolio Holder for Climate Change if he could provide an update on the recruitment of the Project Officer to support the Joint Climate Change Action Plan.

In response, Councillor Rhead explained that the role was being advertised and once it had been appointed to, he would inform all Councillors.

Councillor Kennedy asked the Portfolio Holder for Climate Change:

- (1) What would happen to the defunct WDC red boxes/white bags when the new contract started.
- (2) Residents currently recycled in a red box/ white bag which were then separated by the loaders. The new system would have it all put in one bin. How would this be effectively sorted and recycled, and where.
- (3) With the charges for garden waste, what action would the Council take to encourage residents to compost at home (which was better for the environment).
- (4) When would the Sherbourne Materials Facility open.

In response, Councillor Rhead explained that people would be encouraged to reuse the current recycling bags and boxes. Under the new contract, recycling would be sorted mechanically at the new Sherbourne Materials recycling Facility in Coventry. This site was a joint venture with all other Warwickshire Councils with state technology for sorting collected materials. All residents would be given links to WCC's home composting scheme, whereby home composters could be purchased from as little as £10, along with advice on how to home compost. The sorting facility was anticipated to be open within next 12 months.

Councillor Richard Dickson asked the Portfolio Holder for Community Protection if they would thank all volunteers for their efforts and what support this Council would provide to help asylum seekers.

In response, Councillor Falp agreed that this Council should thank the volunteers for their work and agreed to share details with Councillors about the Community Partnership Team's work with community centres across the district.

Councillor Kohler asked the Portfolio Holder for Place and Economy if he could update Council on the process for how sites would be evaluated, including:

- how decisions on individual sites would be made;
- how Councillors would be kept informed of the evaluation of sites within their wards;
- If Councillors would be consulted about sites within their wards before decisions were taken on whether they should proceed or not; and
- what timescales were being worked to.

In response, Councillor Cooke explained that the Local Plan was an iterative process and its proposals were refined over a number of stages; we were still early on in that process. As a Local Plan, Councillors would have the final say on its content, both in terms of the plan that would be submitted to Government for independent examination, as well as the plan that was finally adopted. Following the Call for Sites, officers were assessing the suitability and appropriateness of locations and sites for potential development and a report seeking agreement to that methodology was on the agenda for the meeting of the Joint Committee on 10 March. A report on the broad scope of the WLP was also being considered which would determine how sites might be selected going forwards. Before getting into decisions about specific sites, however, Members needed to consider the spatial strategy for South Warwickshire – in essence, how much development would go where. The next stage of consultation was called Issues and Options, which was expected in late summer – and the timetable for the SWLP was also being considered at the meeting on 10 March. The Issues and Options would start to explore what the spatial strategy would look like and what key development principles (e.g. relating to climate change) Members might want to include in the plan. Briefing sessions for both Warwick and Stratford Members were being arranged to follow the Joint committee and we were also looking to engage Members further across both councils as the SWLP progresses.

73. **Cabinet Report**

Councillor Day proposed and Councillor Hales seconded the recommendations within Minute 96, Members Allowances Scheme Cabinet meeting held on 10 February 2022.

Resolved that the recommendations of the Cabinet, as set out in Minute 96, of 10 February 2022, be approved.

74. **Public and Press**

It was proposed by the Chairman, duly seconded by Councillor Day 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 items by reason of the likely disclosure of exempt information within paragraph 3 of

75. **Cabinet Report**

Councillor Bartlett proposed and Councillor Day seconded the recommendations within Minute 98, Confidential recommendation of the Cabinet held on 10 February 2022.

Councillors Kohler, Quinney, Kennedy and Rhead spoke on this item.

During the debate, it was agreed that the financial detail of the matter would be made public once agreement had been concluded.

Resolved that the recommendations of the Cabinet, as set out in Minute 98, of 10 February 2022, be approved.

(The Chairman had agreed to take this as an urgent item because it had a direct impact on the budget setting for the Council for 2022/23)

(At the conclusion of this item the Public and press were invited back into the meeting)

76. **Setting of the Council Tax 2022/23**

- (a) The recommendations from the meeting of the Cabinet held on 10 February 2022 in Minute 100 were proposed by Councillors Hales and seconded by Councillor Nicholls.

It was proposed by Councillor Boad and seconded by Councillor Davison that, Warwick District Council's Council Tax for 2022/23 be increased by £5 for a Band D property. This would generate an additional £282,000 in the year which was proposed to be allocated to the Climate Change Reserve. By protecting the Council's tax base, similar increased revenue would be generated in future years, the use of which the Council would be able to determine when setting future years' Budgets.

Councillors, Boad, Wright, Matecki, Jacques, Tracey, Kohler, Kennedy, Roberts, Cullinan, Hales, B Gifford, Mangat, Day, Rhead, Syson, Nicholls and Davison spoke on this amendment.

On being put to the vote the amendment was lost. The substantive motion was then put to the vote and it was

Resolved that the recommendations contained in minute 100 headed "Budget 2022/23 – General Fund Revenue and Capital" as set out in the report of the Cabinet meeting held on 10 February 2022, be approved and adopted.

By law, a recorded vote was required on the substantive motion. The votes on this were as follows:

For: Councillors Ashford, Bartlett, Cooke, Cullinan, Day, Falp, Grainger, Hales, Illingworth, Jacques, Leigh-Hunt, Mangat, Margrave, Matecki, Nicholls, Quinney, Redford, Rhead, Skinner, Tracey, Wright.

Against: Boad, Davison, A Dearing, J Dearing, K Dickson, R Dickson, Evans, B Gifford, C Gifford, Kennedy, Kohler Luckhurst, Milton, Roberts, Russell, Syson and Tangri.

- (b) The report of the Responsible Financial Officer set the Council Tax for the area of Warwick District, incorporating its own Budget which was borne by Council Tax, along with the precepts from the other authorities within the area.

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

Resolved that:

- (1) as set out in the Revenue and Capital Budget 2022/23 (Cabinet recommendations, Minute 100 of 10 February 2022 and Appendix 3 to the minutes) and 2022/23 Budget Book (Appendix 4 to the minutes), the Revenue Budgets for 2022/23 and the Capital Programme for 2022/23, be approved;
- (2) the amounts for the 2022/23 Warwick District Tax Base, as set in section 1.1 of the report, be noted;
- (3) the amounts and calculation for the 2022/23 Warwick District Council's Council Tax, including parish / town council precepts (as set out in Section 1.2 of the report and Appendix 1 and 1a to the minutes), be approved;
- (4) the amounts for the 2022/23 Warwickshire County Council and Warwickshire Police and Crime Commissioner Precepts as set out at Section 1.3 of the report, be noted; and
- (5) the total Council Tax for the District for each band in each Parish / Town Council (Section 1.4 and Appendix 2 to the minutes), be approved.

By law, a recorded vote was required on this matter. The votes on this were as follows:

For: Councillors Ashford, Bartlett, Boad, Cooke, Cullinan, Davison, Day, A Dearing, J Dearing, K Dickson, R Dickson, Evans, Falp, B Gifford, C Gifford, Grainger, Hales, Illingworth, Jacques, Kennedy, Kohler, Leigh-Hunt, Luckhurst, Mangat, Margrave, Matecki, Milton, Nicholls, Noone, Norris, Quinney, Redford, Rhead, Roberts, Russell, Skinner, Syson, Tangri, Tracey and Wright.

There were no votes cast against the recommendations or abstentions from voting.

77. Cabinet Report

Councillor Day proposed and Councillor Hales seconded the recommendations within Minute 83, Confidential Addendum to the budget meeting held on 10 December 2021.

Resolved that the recommendations of the Cabinet, as set

out in Minute 83, of 10 December 2021, be approved.

(The Chairman had agreed to take this as an urgent item because it had a direct impact on the setting of the Housing rents and Housing Revenue Account Budget for 2022/23)

78. Housing Rents and Housing Revenue Account Budget 2022/23

Councillor Matecki proposed, and it was duly seconded by Councillor Hales, the recommendations of the Cabinet as set out in Minute 101 of 10 February 2022.

Resolved that the recommendation of the Cabinet of 10 February 2022 as set out in Minute 101, be approved and adopted.

79. Finance & Audit Scrutiny Committee

The recommendations of the Finance & Audit Scrutiny Committee on the 9 February 2022 were proposed by Councillor Nicholls, seconded by Councillor Hales and

Resolved that the recommendation of the of Finance & Audit Scrutiny Committee 9 February 2022, be approved and adopted.

80. Employment Committee

The recommendations of the Employment Committee on the 17 February 2022 were proposed by Councillor Tracy, seconded by Councillor Day and

Resolved that the recommendation of the of Employment Committee 17 February 2022, be approved and adopted.

Following the above decision, the Council then

Resolved that the Joint Appointments Committee representatives from Warwick District Council be Councillors, Boad, Davison, Day, Falp, Hales and Nicholls.

81. Standards Committee

The recommendations of the Standards Committee on the 16 February 2022 were proposed by Councillor Margrave, seconded by Councillor Tracy and

Resolved that the recommendation of the of Standards Committee 16 February 2022, be approved and adopted.

82. Amendments to the Constitution

The Council considered the request from Cabinet to update the Constitution to include the following delegations to officers given by Cabinet, at its meeting on 10 February 2022, as Executive Functions:

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

Resolved that the Constitution be amended to include the following delegations of Executive functions to officers:

- (1) the Head of Finance, in consultation with the relevant Portfolio Holder, be authorised to determine all future applications for grant funding in line with the RUCIS Grants Scheme Criteria;
- (2) the Head of Housing Services, in consultation with the Homes Health and Wellbeing Portfolio Holder, be authorised to make minor changes to the policy that are required to ensure it remains in line with best practice, Government Guidance and delivers clarity and consistency across the policy; and
- (3) the Head of Housing Services, in consultation with the Homes Health and Wellbeing Portfolio Holder, be authorised to agree discretionary payments and discretionary compensation in respect of decant activities.

83. **Police & Crime Panel Representative Feedback**

The Council received an update from Councillor Davison on the actions of the Police and Crime Commissioner to combat violence against women and girls. This followed the request from Council at its meeting in November 2021 for this issue to be raised at the Police & Crime Panel.

84. **Common Seal**

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

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

(The meeting ended at 9.31pm)

CHAIRMAN

23 March 2022

Budget and Council Tax 2022/23

Calculation of Warwick District Council Element including Special Expenses

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Warwick District Council	117.91	137.56	157.21	176.86	216.16	255.46	294.77	353.72
PARISH/TOWN COUNCIL								
Baddesley Clinton	138.75	161.87	185.00	208.12	254.37	300.61	346.87	416.24
Baginton	154.08	179.76	205.44	231.12	282.48	333.84	385.20	462.24
Barford, Sherbourne & Wasperton	157.71	183.99	210.28	236.56	289.13	341.69	394.27	473.12
Beausale, Haseley, Honiley & Wroxall	132.58	154.67	176.77	198.86	243.05	287.24	331.44	397.72
Bishops Tachbrook	154.74	180.53	206.32	232.11	283.69	335.27	386.85	464.22
Bubbenhall	156.24	182.28	208.32	234.36	286.44	338.52	390.60	468.72
Budbrooke	146.23	170.60	194.97	219.34	268.08	316.82	365.57	438.68
Burton Green	136.62	159.38	182.15	204.92	250.46	295.99	341.54	409.84
Bushwood	117.91	137.56	157.21	176.86	216.16	255.46	294.77	353.72
Cubbington	142.05	165.72	189.40	213.07	260.42	307.76	355.12	426.14
Eathorpe, Hunningham, Offchurch, Wappenbury	148.36	173.09	197.81	222.54	271.99	321.44	370.90	445.08
Hatton	128.20	149.56	170.93	192.29	235.02	277.75	320.49	384.58
Kenilworth	131.72	153.67	175.62	197.57	241.47	285.37	329.29	395.14
Lapworth	133.18	155.38	177.57	199.77	244.16	288.55	332.95	399.54
Royal Leamington Spa	134.45	156.86	179.26	201.67	246.48	291.30	336.12	403.34
Leek Wootton	143.62	167.55	191.49	215.42	263.29	311.16	359.04	430.84
Norton Lindsey	147.54	172.12	196.71	221.30	270.48	319.65	368.84	442.60
Old Milverton & Blackdown	148.80	173.60	198.40	223.20	272.80	322.40	372.00	446.40
Radford Semele	140.26	163.63	187.01	210.38	257.13	303.88	350.64	420.76
Rowington	141.87	165.51	189.16	212.80	260.09	307.37	354.67	425.60
Shrewley	127.16	148.35	169.54	190.73	233.11	275.49	317.89	381.46
Stoneleigh & Ashow	145.08	169.26	193.44	217.62	265.98	314.34	362.70	435.24
Warwick	147.77	172.40	197.02	221.65	270.90	320.16	369.42	443.30
Weston-under-Wetherley	156.09	182.10	208.12	234.13	286.16	338.18	390.22	468.26
Whitnash	170.96	199.45	227.94	256.43	313.41	370.39	427.39	512.86
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Budget and Council Tax 2022/23								
District and Parish/Town Council by Band								
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Warwick District Council	117.91	137.56	157.21	176.86	216.16	255.46	294.77	353.72
PARISH/TOWN COUNCIL								
Baddesley Clinton	20.84	24.31	27.79	31.26	38.21	45.15	52.10	62.52
Baginton	36.17	42.20	48.23	54.26	66.32	78.38	90.43	108.52
Barford, Sherbourne & Wasperton	39.80	46.43	53.07	59.70	72.97	86.23	99.50	119.40
Beausale, Haseley, Honiley & Wroxall	14.67	17.11	19.56	22.00	26.89	31.78	36.67	44.00
Bishops Tachbrook	36.83	42.97	49.11	55.25	67.53	79.81	92.08	110.50
Bubbenhall	38.33	44.72	51.11	57.50	70.28	83.06	95.83	115.00
Budbrooke	28.32	33.04	37.76	42.48	51.92	61.36	70.80	84.96
Burton Green	18.71	21.82	24.94	28.06	34.30	40.53	46.77	56.12
Bushwood								
Cubbington	24.14	28.16	32.19	36.21	44.26	52.30	60.35	72.42
Eathorpe, Hunningham, Offchurch,								
Wappenbury	30.45	35.53	40.60	45.68	55.83	65.98	76.13	91.36
Hatton	10.29	12.00	13.72	15.43	18.86	22.29	25.72	30.86
Kenilworth	13.81	16.11	18.41	20.71	25.31	29.91	34.52	41.42
Lapworth	15.27	17.82	20.36	22.91	28.00	33.09	38.18	45.82
Royal Leamington Spa	16.54	19.30	22.05	24.81	30.32	35.84	41.35	49.62
Leek Wootton	25.71	29.99	34.28	38.56	47.13	55.70	64.27	77.12
Norton Lindsey	29.63	34.56	39.50	44.44	54.32	64.19	74.07	88.88
Old Milverton & Blackdown	30.89	36.04	41.19	46.34	56.64	66.94	77.23	92.68
Radford Semele	22.35	26.07	29.80	33.52	40.97	48.42	55.87	67.04
Rowington	23.96	27.95	31.95	35.94	43.93	51.91	59.90	71.88
Shrewley	9.25	10.79	12.33	13.87	16.95	20.03	23.12	27.74
Stoneleigh & Ashow	27.17	31.70	36.23	40.76	49.82	58.88	67.93	81.52
Warwick	29.86	34.84	39.81	44.79	54.74	64.70	74.65	89.58
Weston-under-Wetherley	38.18	44.54	50.91	57.27	70.00	82.72	95.45	114.54
Whitnash	53.05	61.89	70.73	79.57	97.25	114.93	132.62	159.14
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

Council Tax Calculations 2022/23 Warwick District Council
Including Warwickshire County Council and Warwickshire Police and Crime Commissioner

PARISH/TOWN COUNCIL	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Baddesley Clinton	1,374.51	1,603.59	1,832.68	2,061.76	2,519.93	2,978.09	3,436.27	4,123.52
Baginton	1,389.84	1,621.48	1,853.12	2,084.76	2,548.04	3,011.32	3,474.60	4,169.52
Barford, Sherbourne & Wasperton	1,393.47	1,625.71	1,857.96	2,090.20	2,554.69	3,019.17	3,483.67	4,180.40
Beausale, Haseley, Honiley & Wroxall	1,368.34	1,596.39	1,824.45	2,052.50	2,508.61	2,964.72	3,420.84	4,105.00
Bishops Tachbrook	1,390.50	1,622.25	1,854.00	2,085.75	2,549.25	3,012.75	3,476.25	4,171.50
Bubbenhall	1,392.00	1,624.00	1,856.00	2,088.00	2,552.00	3,016.00	3,480.00	4,176.00
Budbrooke	1,381.99	1,612.32	1,842.65	2,072.98	2,533.64	2,994.30	3,454.97	4,145.96
Burton Green	1,372.38	1,601.10	1,829.83	2,058.56	2,516.02	2,973.47	3,430.94	4,117.12
Bushwood	1,353.67	1,579.28	1,804.89	2,030.50	2,481.72	2,932.94	3,384.17	4,061.00
Cubbington	1,377.81	1,607.44	1,837.08	2,066.71	2,525.98	2,985.24	3,444.52	4,133.42
Eathorpe, Hunningham, Offchurch, Wappenbury	1,384.12	1,614.81	1,845.49	2,076.18	2,537.55	2,998.92	3,460.30	4,152.36
Hatton	1,363.96	1,591.28	1,818.61	2,045.93	2,500.58	2,955.23	3,409.89	4,091.86
Kenilworth	1,367.48	1,595.39	1,823.30	2,051.21	2,507.03	2,962.85	3,418.69	4,102.42
Lapworth	1,368.94	1,597.10	1,825.25	2,053.41	2,509.72	2,966.03	3,422.35	4,106.82
Royal Leamington Spa	1,370.21	1,598.58	1,826.94	2,055.31	2,512.04	2,968.78	3,425.52	4,110.62
Leek Wootton	1,379.38	1,609.27	1,839.17	2,069.06	2,528.85	2,988.64	3,448.44	4,138.12
Norton Lindsey	1,383.30	1,613.84	1,844.39	2,074.94	2,536.04	2,997.13	3,458.24	4,149.88
Old Milverton & Blackdown	1,384.56	1,615.32	1,846.08	2,076.84	2,538.36	2,999.88	3,461.40	4,153.68
Radford Semele	1,376.02	1,605.35	1,834.69	2,064.02	2,522.69	2,981.36	3,440.04	4,128.04
Rowington	1,377.63	1,607.23	1,836.84	2,066.44	2,525.65	2,984.85	3,444.07	4,132.88
Shrewley	1,362.92	1,590.07	1,817.22	2,044.37	2,498.67	2,952.97	3,407.29	4,088.74
Stoneleigh & Ashow	1,380.84	1,610.98	1,841.12	2,071.26	2,531.54	2,991.82	3,452.10	4,142.52
Warwick	1,383.53	1,614.12	1,844.70	2,075.29	2,536.46	2,997.64	3,458.82	4,150.58
Weston-under-Wetherley	1,391.85	1,623.82	1,855.80	2,087.77	2,551.72	3,015.66	3,479.62	4,175.54
Whitnash	1,406.72	1,641.17	1,875.62	2,110.07	2,578.97	3,047.87	3,516.79	4,220.14
Proportion of Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

General Fund Summary

Appendix 3

Portfolio	Outturn 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
	£ A	£ B	£ C	£ D	£ C - B	£ D - B
Assets	1,302,001	2,366,000	2,427,200	1,784,800	61,200	(581,200)
Community Protection	3,921,649	2,800,500	2,913,900	2,854,000	113,400	53,500
Culture, Tourism & Leisure	5,114,401	3,699,900	5,197,000	4,024,900	1,497,100	325,000
Development Services	966,689	351,700	323,900	333,800	(27,800)	(17,900)
Environment & Operations	7,376,088	9,275,200	10,401,000	8,557,800	1,125,800	(717,400)
Finance	(2,856,659)	1,528,100	(483,400)	206,400	(2,011,500)	(1,321,700)
Housing Services - GF	1,079,374	1,698,200	1,518,900	1,933,900	(179,300)	235,700
ICT Services	145,406	175,500	170,100	156,400	(5,400)	(19,100)
Law & Governance	1,632,041	1,857,100	1,954,200	1,828,800	97,100	(28,300)
People and Communication	204,236	340,900	412,100	387,400	71,200	46,500
Place & Economy	1,883,577	1,934,900	2,040,000	2,157,800	105,100	222,900
Revenues & Customer Services	1,704,906	1,597,500	1,438,900	1,596,000	(158,600)	(1,500)
Strategic Leadership	1,446,726	610,000	1,423,200	506,700	813,200	(103,300)
TOTAL GENERAL FUND SERVICES	23,920,435	28,235,500	29,737,000	26,328,700	1,501,500	(1,906,800)
Replacement of Notional with Actual Cost of Capital:						
- Deduct Notional Capital Financing Charges in Budgets	(9,999,421)	(6,488,000)	(6,488,000)	(6,488,000)	0	0
- Add Cost of Loan Repayments, Revenue Contributions and - Interest paid	465,492	541,700	541,700	1,048,300	0	506,600
Revenue Contributions to Capital	1,489,280	2,260,700	2,260,700	259,000	0	(2,001,700)
Contributions to / (from) Reserves	14,646,230	(3,490,000)	(13,866,500)	4,136,500	(10,376,500)	7,626,500
Net External Investment Interest Received	(1,526,875)	(756,900)	(2,120,400)	(2,464,400)	(1,363,500)	(1,707,500)
IAS19 Adjustments reversed	(1,046,560)	(2,859,400)	(2,168,300)	(2,168,300)	691,100	691,100
Employee Benefits Accruals reversed	(16,035)	0	0	0	0	0
Contributions to / (from) General Fund	240,577	0	0	0	0	0

NET EXPENDITURE FOR DISTRICT PURPOSES	28,173,123	17,443,600	7,896,200	20,651,800	(9,547,400)	3,208,200
Less Business Rate Income	(14,347,123)	(4,324,000)	5,370,400	(7,627,100)	9,694,400	(3,303,100)
Less General Grants	(686,262)	0	0	0	0	0
Less New Homes Bonus	(3,726,122)	(3,269,100)	(3,269,100)	(2,680,700)	0	588,400
Less Lower Tier Services Grant	0	0	(147,000)	(154,600)	(147,000)	(154,600)
Services Grant	0	0	0	(237,600)	0	(237,600)
Collection Fund (Surplus) / Deficit	185,000	39,000	39,000	23,000	0	(16,000)
Surplus / (Deficit) for the Year			0	0		
NET EXPENDITURE BORNE BY COUNCIL TAX - WARWICK DISTRICT COUNCIL	9,598,616	9,889,500	9,889,500	9,974,800	0	85,300
Aggregate Parish Council Precept	1,723,904	1,836,800	1,836,800	2,001,900	0	165,100
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX:	11,322,520	11,726,300	11,726,300	11,976,700	0	250,400
Warwickshire County Council Precept	83,155,400	85,748,900	85,748,900	89,727,800	0	3,978,900
Warwickshire Police and Crime Commissioner Precept	13,291,900	14,144,700	14,144,700	14,816,700	0	672,000
BORNE BY COUNCIL TAX	107,769,820	111,619,900	111,619,900	116,521,200	0	4,901,300
Council Tax - Band D						
Warwick District Council	171.86	176.86	176.86	176.86	0.00	0.00
Parish/Town Councils (average)	30.87	32.85	32.85	35.50	0.00	2.65
District & Parish/Town D and D Council Tax	202.73	209.71	209.71	212.36	0.00	2.65
Warwickshire County Council	1,488.87	1,533.51	1,533.51	1,590.93	0.00	57.42
Warwick shire Police & Crime Commissioner	237.99	252.96	252.96	262.71	0.00	9.75
Total Band D Council Tax	1,929.59	1,996.18	1,996.18	2,066.00	0.00	69.82
Tax Base - Band D	55,851.37	55,916.75	55,916.75	56,399.56	0.00	482.81

Budget Book 2022/23



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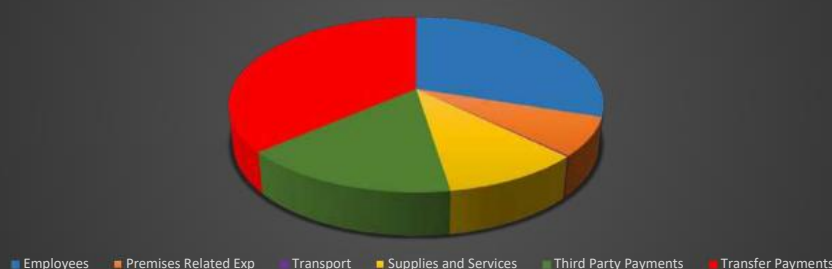
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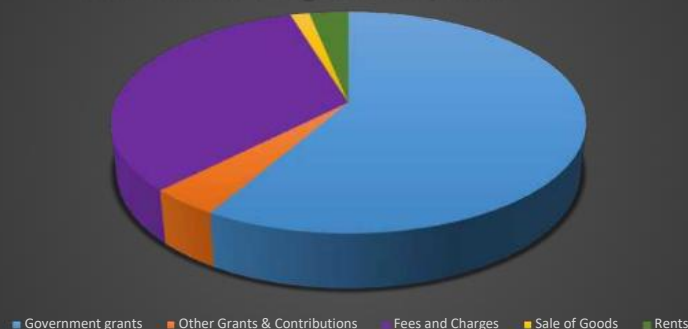
General Fund - Summary						
Portfolio	Outturn 2020/21 £	Original Budget 2021/22 £	Latest Budget 2021/22 £	Original Budget 2022/23 £	Variance 2021/22 £	Variance 2022/23 £
	A	B	C	D	C-B	D - B
Assets	1,302,001	2,366,000	2,427,200	1,784,800	61,200	(581,200)
Community Protection	3,921,649	2,800,500	2,913,900	2,854,000	113,400	53,500
Culture, Tourism & Leisure	5,114,401	3,699,900	5,197,000	4,024,900	1,497,100	325,000
Development Services	966,689	351,700	323,900	333,800	(27,800)	(17,900)
Environment & Operations	7,376,088	9,275,200	10,401,000	8,557,800	1,125,800	(717,400)
Finance	(2,856,659)	1,528,100	(483,400)	679,400	(2,011,500)	(848,700)
Housing Services - GF	1,079,374	1,698,200	1,518,900	1,933,900	(179,300)	235,700
ICT Services	145,406	175,500	170,100	156,400	(5,400)	(19,100)
Law & Governance	1,632,041	1,857,100	1,954,200	1,828,800	97,100	(28,300)
People and Communication	204,236	340,900	412,100	387,400	71,200	46,500
Place & Economy	1,883,577	1,934,900	2,040,000	2,157,800	105,100	222,900
Revenues & Customer Services	1,704,906	1,597,500	1,438,900	1,596,000	(158,600)	(1,500)
Strategic Leadership	1,446,726	610,000	1,423,200	506,700	813,200	(103,300)
TOTAL GENERAL FUND SERVICES	23,920,435	28,235,500	29,737,000	26,801,700	1,501,500	(1,433,800)
Replacement of Notional with Actual Cost of Capital:						
- Deduct Notional Capital Financing Charges in Budgets	(9,999,421)	(6,488,000)	(6,488,000)	(6,488,000)	0	0
- Add Cost of Loan Repayments, Revenue Contributions and	0	0	0	0	0	0
- Interest paid	465,492	541,700	541,700	575,300	0	33,600
Revenue Contributions to Capital	1,489,280	2,260,700	2,260,700	259,000	0	(2,001,700)
Contributions to / (from) Reserves	14,646,230	(3,490,000)	(13,866,500)	4,136,500	(10,376,500)	7,626,500
Net External Investment Interest Received	(1,526,875)	(756,900)	(2,120,400)	(2,464,400)	(1,363,500)	(1,707,500)
IAS19 Adjustments reversed	(1,046,560)	(2,859,400)	(2,168,300)	(2,168,300)	691,100	691,100
Employee Benefits Accruals reversed	(16,035)	0	0	0	0	0
Contributions to / (from) General Fund	240,577	0	0	0	0	0
NET EXPENDITURE FOR DISTRICT PURPOSES	28,173,123	17,443,600	7,896,200	20,651,800	(9,547,400)	3,208,200
Less Revenue Support Grant	0	0	0	0	0	0
Less Business Rate Income	(14,347,123)	(4,324,000)	5,370,400	(7,627,100)	9,694,400	(3,303,100)
Less General Grants	(686,262)	0	0	0	0	0
Less New Homes Bonus	(3,726,122)	(3,269,100)	(3,269,100)	(2,680,700)	0	588,400
Less Lower Tier Services Grant	0	0	(147,000)	(154,600)	(147,000)	(154,600)
Services Grant	0	0	0	(237,600)	0	(237,600)
Collection Fund (Surplus) / Deficit	185,000	39,000	39,000	23,000	0	(16,000)
Surplus / (Deficit) for the Year	0	0	0	0	0	0
NET EXPENDITURE BORNE BY COUNCIL TAX	9,598,616	9,889,500	9,889,500	9,974,800	0	85,300
Aggregate Parish Council Expenditure	1,723,904	1,836,800	1,836,800	2,001,900	0	165,100
COMBINED DISTRICT AND PARISH EXPENDITURE BORNE BY COUNCIL TAX:	11,322,520	11,726,300	11,726,300	11,976,700	0	250,400
Warwickshire County Council Expenditure	83,155,400	85,748,900	85,748,900	89,727,800	0	3,978,900
Warwickshire Police and Crime Commissioner Expenditure	13,291,900	14,144,700	14,144,700	14,816,700	0	672,000
BORNE BY COUNCIL TAX	107,769,820	111,619,900	111,619,900	116,521,200	0	4,901,300
Council Tax - Band D						
Warwick District Council	171.86	176.86	176.86	176.86	0.00	0.00
Parish/Town Councils (average)	30.87	32.85	32.85	35.50	0.00	2.65
District & Parish/Town Dand D Council Tax	202.73	209.71	209.71	212.36	0.00	2.65
Warwickshire County Council	1,488.87	1,533.51	1,533.51	1,590.93	0.00	57.42
Warwick shire Police & Crime Commissioner	237.99	252.96	252.96	262.71	0.00	9.75
Total Band D Council Tax	1,929.59	1,996.18	1,996.18	2,066.00	0.00	69.82
Tax Base - Band D	55,851.37	55,916.75	55,916.75	56,399.56	0.00	482.81

WARWICK DISTRICT COUNCIL - General Fund						
Portfolio	Actuals 2020/21 .(A)	Original Budget 2021/22 .(B)	Latest Budget 2021/22 .(C)	Original Budget 2022/23 .(D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
Assets	1,302,001	2,366,000	2,427,200	1,784,800	61,200	(581,200)
Community Protection	3,921,649	2,800,500	2,913,900	2,854,000	113,400	53,500
Culture, Tourism & Leisure	5,114,401	3,699,900	5,197,000	4,024,900	1,497,100	325,000
Development Services	966,689	351,700	323,900	333,800	(27,800)	(17,900)
Environment & Operations	7,376,088	9,275,200	10,401,000	8,557,800	1,125,800	(717,400)
Finance	(2,856,659)	1,528,100	(483,400)	679,400	(2,011,500)	(848,700)
Housing Services - GF	1,079,374	1,698,200	1,518,900	1,933,900	(179,300)	235,700
ICT Services	145,406	175,500	170,100	156,400	(5,400)	(19,100)
Law & Governance	1,632,041	1,857,100	1,954,200	1,828,800	97,100	(28,300)
People and Communication	204,236	340,900	412,100	387,400	71,200	46,500
Place & Economy	1,883,577	1,934,900	2,040,000	2,157,800	105,100	222,900
Revenues & Customer Services	1,704,906	1,597,500	1,438,900	1,596,000	(158,600)	(1,500)
Strategic Leadership	1,446,726	610,000	1,423,200	506,700	813,200	(103,300)
TOTAL WARWICK DISTRICT COUNCIL	23,920,435	28,235,500	29,737,000	26,801,700	1,501,500	(1,433,800)
SUBJECTIVE ANALYSIS						
DIRECT EXPENDITURE						
Employees	17,391,066	18,376,000	19,581,100	19,640,600	1,205,100	1,264,600
Premises Related Exp	16,459,842	5,357,100	5,405,400	4,613,200	48,300	(743,900)
Transport	56,920	128,400	120,700	121,900	(7,700)	(6,500)
Supplies and Services	8,593,519	8,543,500	8,277,700	6,680,800	(265,800)	(1,862,700)
Third Party Payments	6,752,066	10,572,200	12,668,700	10,456,700	2,096,500	(115,500)
Transfer Payments	22,872,831	23,811,800	23,811,800	23,811,900	0	100
TOTAL DIRECT EXPENDITURE	72,126,244	66,789,000	69,865,400	65,325,100	3,076,400	(1,463,900)
DIRECT INCOME						
Government grants	(30,546,901)	(26,295,700)	(28,086,800)	(25,026,900)	(1,791,100)	1,268,800
Other Grants & Contributions	(1,959,197)	(1,628,600)	(2,215,600)	(1,737,400)	(587,000)	(108,800)
Fees and Charges	(7,927,635)	(13,236,900)	(12,340,200)	(14,151,800)	896,700	(914,900)
Sale of Goods	(955,479)	(725,200)	(664,000)	(658,200)	61,200	67,000
Interest	0	0	0	0	0	0
Rents	(27,784,181)	(1,218,400)	(1,279,100)	(1,356,400)	(60,700)	(138,000)
TOTAL DIRECT INCOME	(69,173,393)	(43,104,800)	(44,585,700)	(42,930,700)	(1,480,900)	174,100
NET DIRECT (INCOME) / EXPENDITURE	2,952,850	23,684,200	25,279,700	22,394,400	1,595,500	(1,289,800)
SUPPORT CHARGES						
Support Services	12,919,738	13,228,600	13,228,600	13,228,600	0	0
Capital Charges	20,542,291	6,488,000	6,488,000	6,488,000	0	0
Recharges	(15,006,501)	(15,165,300)	(15,259,300)	(15,309,300)	(94,000)	(144,000)
TOTAL SUPPORT CHARGES	18,455,528	4,551,300	4,457,300	4,407,300	(94,000)	(144,000)
NET (INCOME) / EXPENDITURE TO SUMMARY	21,408,379	28,235,500	29,737,000	26,801,700	1,501,500	(1,433,800)

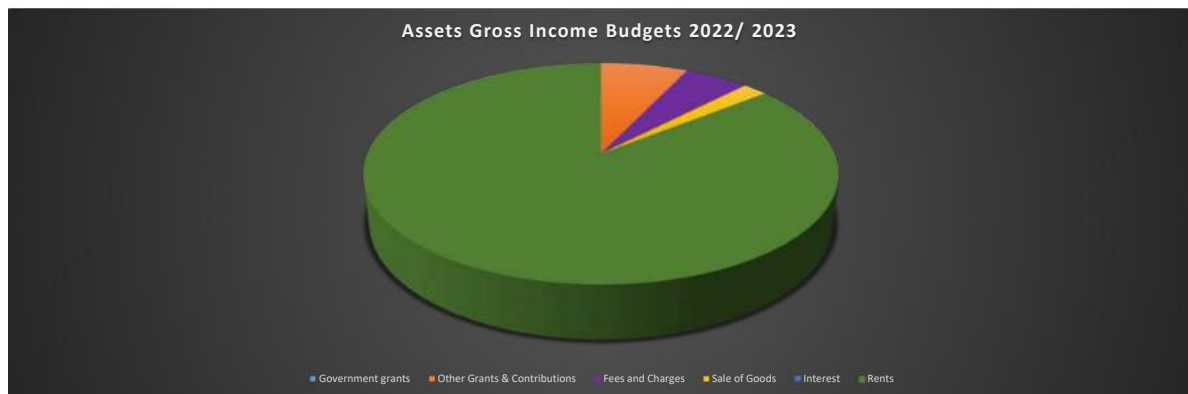
Gross Expenditure Budgets 2022 / 2023



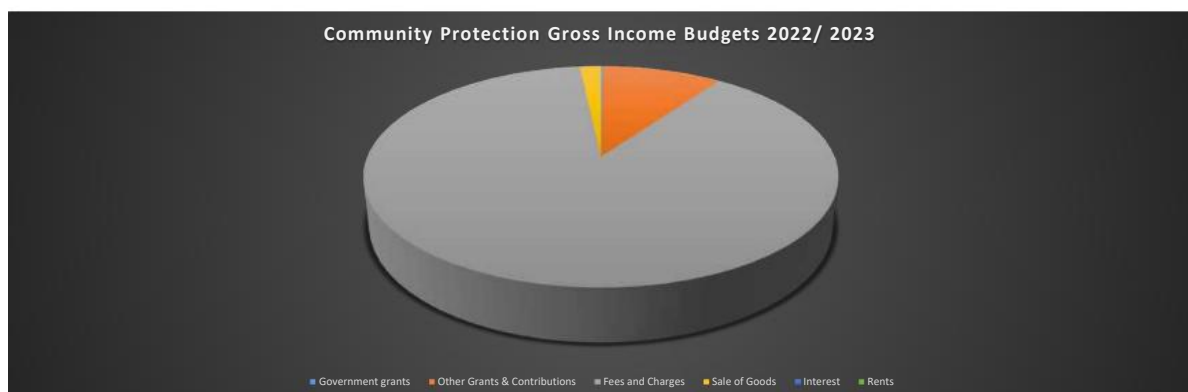
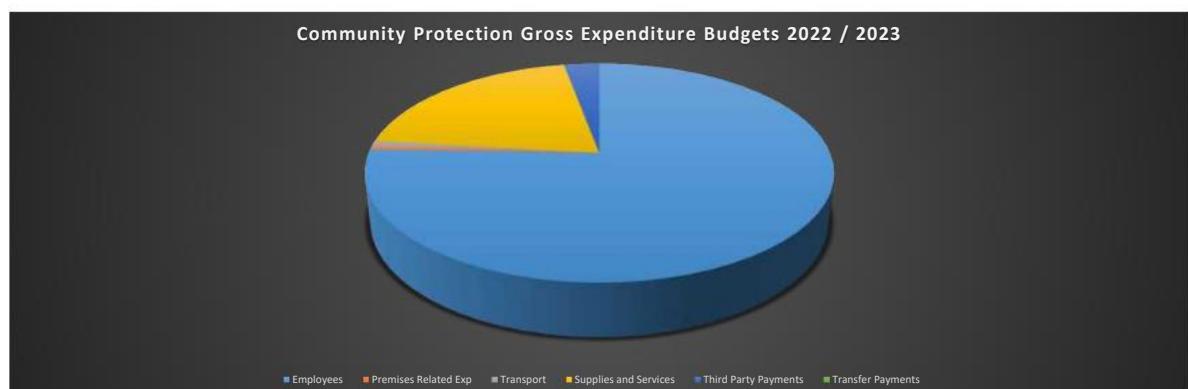
Gross Income Budgets 2022 / 2023



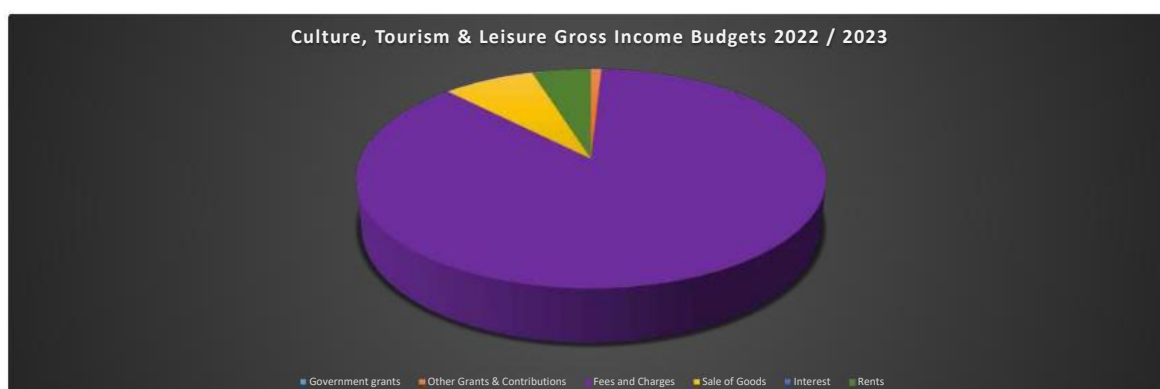
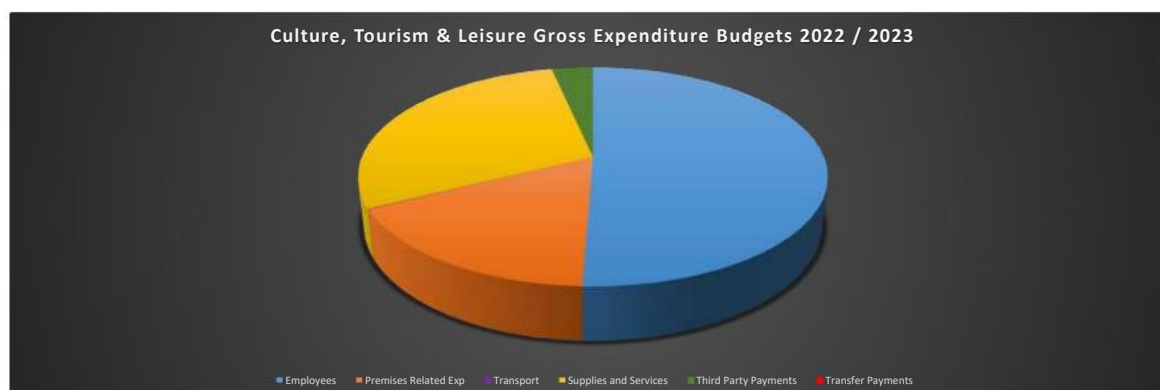
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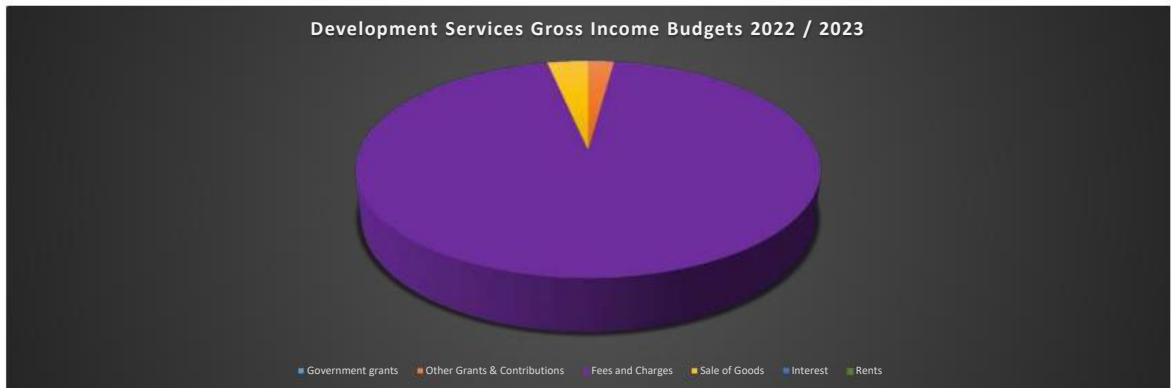
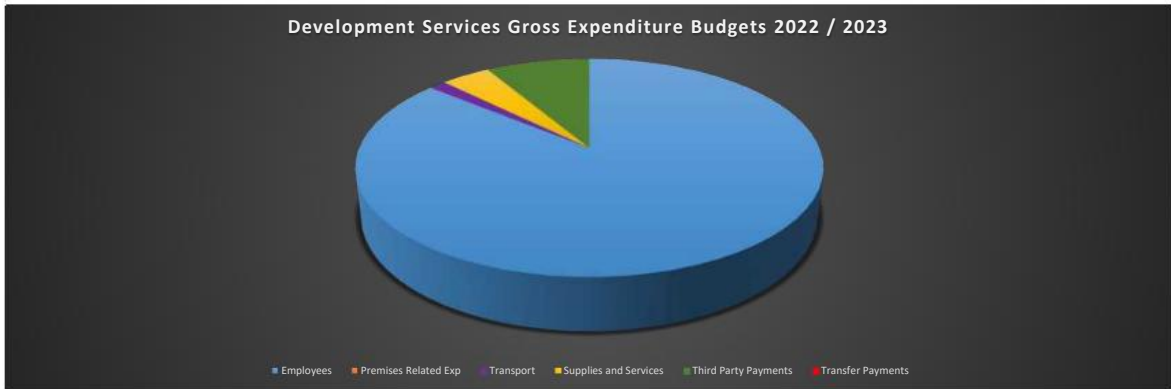
Community Protection							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S1001	Community Development	2,129,340	483,000	477,400	477,500	(5,600)	(5,500)
S1045	CCTV	(5,517)	293,500	394,600	257,700	101,100	(35,800)
S2110	Community Partnership	332,532	342,100	291,100	283,800	(51,000)	(58,300)
S2360	Licensing & Registration	122,891	150,600	160,500	142,500	9,900	(8,100)
S3465	Chase Meadow Community Centre	11,614	11,800	11,600	100	(200)	(11,700)
S4210	EH Environmental Health Core	12,062	17,500	114,300	84,500	96,800	67,000
S4270	Food+Occupational Safety+Health	363,331	517,800	399,600	453,800	(118,200)	(64,000)
S4300	Environmental Protection	700,148	750,800	781,900	809,900	31,100	59,100
S4350	Community Safety	255,249	233,400	282,900	344,200	49,500	110,800
		3,921,649	2,800,500	2,913,900	2,854,000	113,400	53,500
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,843,420	1,999,000	2,029,900	2,110,200	30,900	111,200
	Premises Related Exp	15,430	13,500	13,300	13,500	(200)	0
	Transport	6,052	21,900	22,100	22,300	200	400
	Supplies and Services	704,542	571,500	711,700	565,300	140,200	(6,200)
	Third Party Payments	25,625	79,600	79,600	80,800	0	1,200
	Transfer Payments	0	0	0	0	0	0
	TOTAL DIRECT EXPENDITURE	2,595,069	2,685,500	2,856,600	2,792,100	171,100	106,600
DIRECT INCOME							
	Government grants	(71,736)	(1,000)	(1,000)	(1,000)	0	0
	Other Grants & Contributions	(60,420)	(26,100)	(85,000)	(51,200)	(58,900)	(25,100)
	Fees and Charges	(306,342)	(430,800)	(429,800)	(465,800)	1,000	(35,000)
	Sale of Goods	(102,407)	(15,700)	(15,500)	(8,700)	200	7,000
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
	TOTAL DIRECT INCOME	(540,906)	(473,600)	(531,300)	(526,700)	(57,700)	(53,100)
	NET DIRECT (INCOME) / EXPENDITURE	2,054,163	2,211,900	2,325,300	2,265,400	113,400	53,500
SUPPORT CHARGES							
	Support Services	1,345,868	1,340,300	1,340,300	1,340,300	0	0
	Capital Charges	1,906,377	255,000	255,000	255,000	0	0
	Recharges	(1,384,758)	(1,006,700)	(1,006,700)	(1,006,700)	0	0
	TOTAL SUPPORT CHARGES	1,867,486	588,600	588,600	588,600	0	0
	NET (INCOME) / EXPENDITURE TO SUMMARY	3,921,649	2,800,500	2,913,900	2,854,000	113,400	53,500



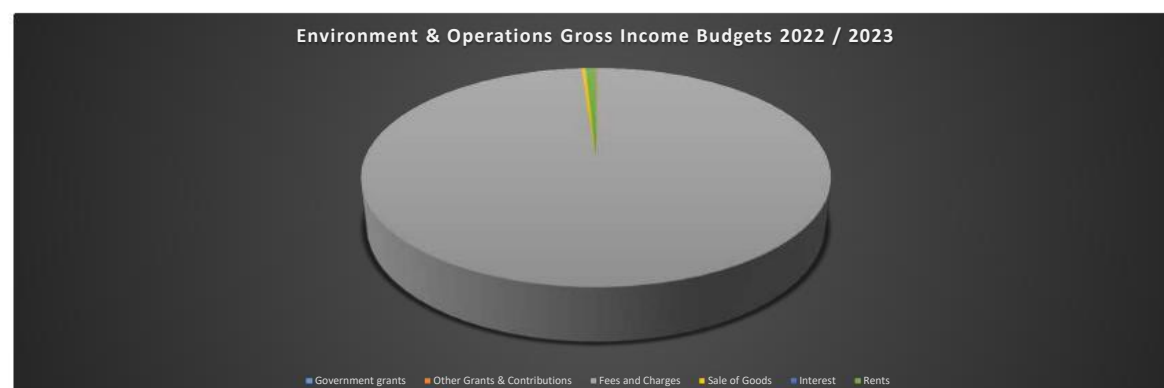
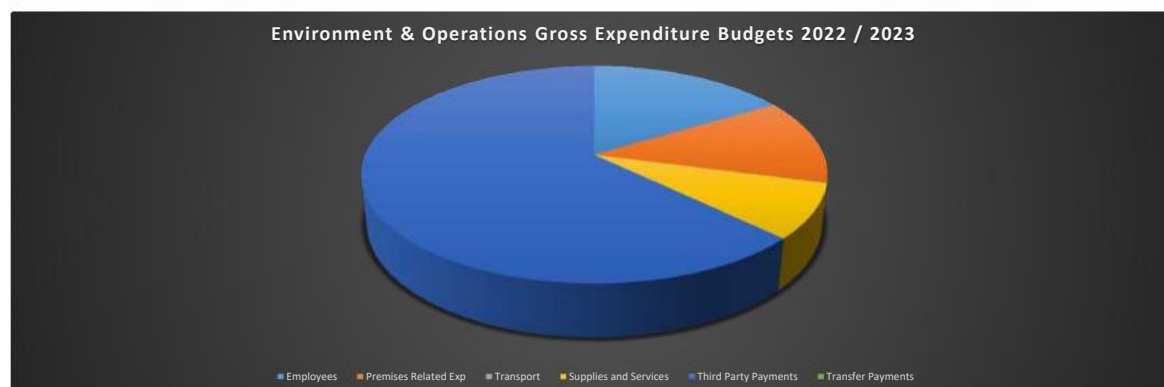
Culture, Tourism & Leisure							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		(.A)	(.B)	(.C)	(.D)	(C-B)	(D-B)
S1261	Commonwealth Games 2022	77,820	179,900	409,900	332,500	230,000	152,600
S1288	Outdoor Recreation	951,232	843,800	1,222,500	840,700	378,700	(3,100)
S1297	Business Support	120,486	(1,095,200)	(70,400)	(939,300)	1,024,800	155,900
S1313	Culture, Tourism & Leisure Management	(2,052)	(12,100)	23,500	(37,300)	35,600	(25,200)
S1335	Royal Spa Centre	1,097,255	815,400	795,600	853,200	(19,800)	37,800
S1356	Catering Contract	(28,136)	(71,600)	(87,300)	(70,900)	(15,700)	700
S1367	Leisure Options	1,319,564	1,253,400	1,253,500	1,253,500	100	100
S1368	Sports Development	75,984	109,700	109,700	110,300	0	600
S3550	Tourism	108,822	130,200	130,200	157,300	0	27,100
S6005	Strategic Arts	56,702	12,600	24,000	74,800	11,400	62,200
S6006	Collections & Engagement	1,320,191	1,581,200	1,468,000	1,514,200	(113,200)	(67,000)
S6007	Customer Services	16,534	(47,400)	(82,200)	(64,100)	(34,800)	(16,700)
TOTAL CULTURE, TOURISM & LEISURE		5,114,401	3,699,900	5,197,000	4,024,900	1,497,100	325,000
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,806,822	1,645,400	1,838,400	2,167,500	193,000	522,100
	Premises Related Exp	747,270	707,000	669,000	724,000	(38,000)	17,000
	Transport	1,164	3,300	3,300	3,300	0	0
	Supplies and Services	293,991	1,252,500	1,625,300	1,244,700	372,800	(7,800)
	Third Party Payments	237,212	149,800	346,300	145,400	196,500	(4,400)
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		3,086,460	3,758,000	4,482,300	4,284,900	724,300	526,900
DIRECT INCOME							
	Government grants	(284,062)	0	0	0	0	0
	Other Grants & Contributions	(112,877)	0	(25,100)	(25,100)	(25,100)	(25,100)
	Fees and Charges	(126,274)	(2,518,700)	(1,564,400)	(2,539,100)	954,300	(20,400)
	Sale of Goods	(10,346)	(217,500)	(217,500)	(217,500)	0	0
	Interest	0	0	0	0	0	0
	Rents	(96,164)	(117,100)	(142,100)	(142,100)	(25,000)	(25,000)
TOTAL DIRECT INCOME		(629,723)	(2,853,300)	(1,949,100)	(2,923,800)	904,200	(70,500)
NET DIRECT (INCOME) / EXPENDITURE		2,456,737	904,700	2,533,200	1,361,100	1,628,500	456,400
SUPPORT CHARGES							
	Support Services	1,142,186	981,500	981,500	981,500	0	0
	Capital Charges	2,826,337	2,799,200	2,799,200	2,799,200	0	0
	Recharges	(1,310,859)	(985,500)	(1,116,900)	(1,116,900)	(131,400)	(131,400)
TOTAL SUPPORT CHARGES		2,657,664	2,795,200	2,663,800	2,663,800	(131,400)	(131,400)
NET (INCOME) / EXPENDITURE TO SUMMARY		5,114,401	3,699,900	5,197,000	4,024,900	1,497,100	325,000



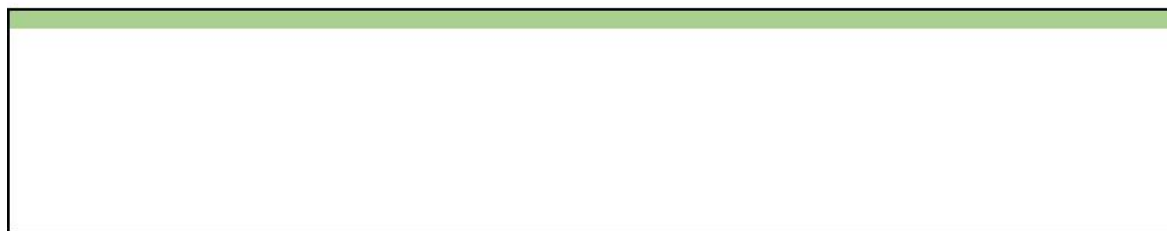
Development Services							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		(.A)	(.B)	(.C)	(.D)	(C-B)	(D-B)
S4600	Building Control	68,668	119,600	78,900	99,500	(40,700)	(20,100)
S4840	Local Land Charges	900,009	247,700	206,300	254,200	(41,400)	6,500
S6002	Development Services Management	(1,988)	(15,600)	38,700	(19,900)	54,300	(4,300)
TOTAL DEVELOPMENT SERVICES		966,689	351,700	323,900	333,800	(27,800)	(17,900)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	2,069,529	2,343,900	2,377,500	2,656,900	33,600	313,000
	Premises Related Exp	0	0	0	0	0	0
	Transport	27,632	42,400	42,400	43,100	0	700
	Supplies and Services	85,327	113,500	122,500	124,500	9,000	11,000
	Third Party Payments	226,117	254,100	329,600	264,400	75,500	10,300
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		2,408,606	2,753,900	2,872,000	3,088,900	118,100	335,000
DIRECT INCOME							
	Government grants	(20,646)	0	(90,000)	0	(90,000)	0
	Other Grants & Contributions	(65,454)	(70,500)	(70,500)	(70,500)	0	0
	Fees and Charges	(1,908,015)	(2,770,700)	(2,826,600)	(3,123,600)	(55,900)	(352,900)
	Sale of Goods	(158,097)	(112,000)	(112,000)	(112,000)	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(2,152,212)	(2,953,200)	(3,099,100)	(3,306,100)	(145,900)	(352,900)
NET DIRECT (INCOME) / EXPENDITURE		256,394	(199,300)	(227,100)	(217,200)	(27,800)	(17,900)
SUPPORT CHARGES							
	Support Services	1,595,561	1,892,400	1,892,400	1,892,400	0	0
	Capital Charges	165,502	600	600	600	0	0
	Recharges	(1,050,767)	(1,342,000)	(1,342,000)	(1,342,000)	0	0
TOTAL SUPPORT CHARGES		710,295	551,000	551,000	551,000	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		966,689	351,700	323,900	333,800	(27,800)	(17,900)



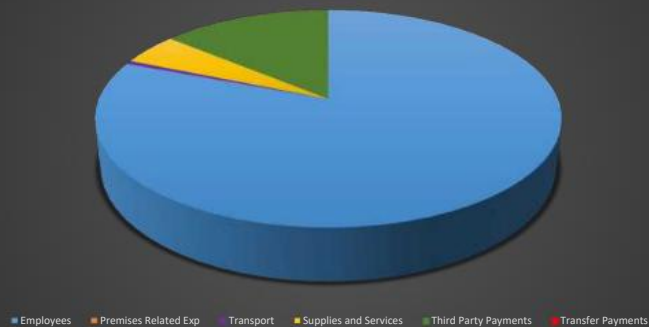
Environment & Operations							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		.(A)	.(B)	.(C)	.(D)	(C-B)	(D-B)
S1105	Car Parks	1,984,893	(652,700)	(82,500)	(917,400)	570,200	(264,700)
S1250	WCC Highways	30,186	130,400	70,800	70,900	(59,600)	(59,500)
S1270	Green Space Development	845,113	1,961,500	2,000,400	2,030,700	38,900	69,200
S1320	Bereavement Services	(907,186)	(741,500)	(853,100)	(1,019,100)	(111,600)	(277,600)
S4090	Waste Management	4,518,488	7,155,300	7,818,800	6,969,700	663,500	(185,600)
S4095	Ranger Service	(10,668)	0	(4,400)	(46,400)	(4,400)	(46,400)
S4811	Watercourses & Culverts	(5,639)	(123,700)	(154,400)	(157,200)	(30,700)	(33,500)
S6013	Neighbourhood Services Management	(2,132)	25,100	90,400	25,900	65,300	800
S6014	NS Programme Team	153,152	235,400	356,900	420,800	121,500	185,400
S6015	Grounds Maintenance	809,732	984,400	915,600	931,300	(68,800)	(53,100)
S6016	Business Support & Development	(39,850)	301,000	242,500	248,600	(58,500)	(52,400)
TOTAL ENVIRONMENT & OPERATIONS		7,376,088	9,275,200	10,401,000	8,557,800	1,125,800	(717,400)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,873,971	2,231,900	2,241,900	2,230,600	10,000	(1,300)
	Premises Related Exp	1,686,860	1,724,300	1,758,700	1,748,200	34,400	23,900
	Transport	9,546	9,700	10,100	10,100	400	400
	Supplies and Services	1,244,612	705,900	794,500	1,100,600	88,600	394,700
	Third Party Payments	5,154,180	8,738,000	9,749,300	8,592,700	1,011,300	(145,300)
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		9,969,169	13,409,800	14,554,500	13,682,200	1,144,700	272,400
DIRECT INCOME							
	Government grants	(1,352)	0	0	0	0	0
	Other Grants & Contributions	(28,339)	(6,000)	(6,000)	(6,000)	0	0
	Fees and Charges	(5,235,133)	(6,891,400)	(6,940,100)	(7,910,700)	(48,700)	(1,019,300)
	Sale of Goods	(58,374)	(55,100)	(25,300)	(26,300)	29,800	28,800
	Interest	0	0	0	0	0	0
	Rents	(67,946)	(69,000)	(69,000)	(68,300)	0	700
TOTAL DIRECT INCOME		(5,391,146)	(7,021,500)	(7,040,400)	(8,011,300)	(18,900)	(989,800)
NET DIRECT (INCOME) / EXPENDITURE		4,578,023	6,388,300	7,514,100	5,670,900	1,125,800	(717,400)
SUPPORT CHARGES							
	Support Services	2,487,265	2,306,400	2,306,400	2,306,400	0	0
	Capital Charges	1,845,288	1,938,700	1,938,700	1,938,700	0	0
	Recharges	(1,534,488)	(1,358,200)	(1,358,200)	(1,358,200)	0	0
TOTAL SUPPORT CHARGES		2,798,065	2,886,900	2,886,900	2,886,900	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		7,376,088	9,275,200	10,401,000	8,557,800	1,125,800	(717,400)



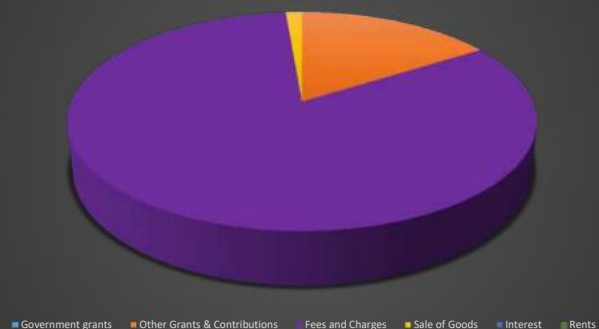
Finance							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S1410	Finance Management	(3,241,124)	1,391,100	(682,700)	480,300	(2,073,800)	(910,800)
S1417	Procurement	(2,080)	(20,000)	(20,200)	(15,800)	(200)	4,200
S1425	Financial Services	324,722	73,900	129,700	118,900	55,800	45,000
S1578	Audit & Risk	60,891	82,800	68,700	77,100	(14,100)	(5,700)
S3400	Payment Channels	931	300	21,100	18,900	20,800	18,600
TOTAL FINANCE		(2,856,659)	1,528,100	(483,400)	679,400	(2,011,500)	(848,700)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,590,639	1,227,400	1,266,800	907,600	39,400	(319,800)
	Premises Related Exp	26,016	0	0	0	0	0
	Transport	(124)	6,000	6,000	6,100	0	100
	Supplies and Services	1,254,608	2,372,000	648,800	53,100	(1,723,200)	(2,318,900)
	Third Party Payments	192,041	141,800	154,600	157,400	12,800	15,600
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		3,063,180	3,747,200	2,076,200	1,124,200	(1,671,000)	(2,623,000)
DIRECT INCOME							
	Government grants	(5,377,506)	(1,384,000)	(1,661,000)	0	(277,000)	1,384,000
	Other Grants & Contributions	(14,589)	0	(50,900)	(97,100)	(50,900)	(97,100)
	Fees and Charges	0	0	0	500,000	0	500,000
	Sale of Goods	(26,044)	(7,700)	(7,700)	(7,700)	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(5,418,138)	(1,391,700)	(1,719,600)	395,200	(327,900)	1,786,900
NET DIRECT (INCOME) / EXPENDITURE		(2,354,958)	2,355,500	356,600	1,519,400	(1,998,900)	(836,100)
SUPPORT CHARGES							
	Support Services	1,285,044	1,064,000	1,064,000	1,064,000	0	0
	Capital Charges	48,048	38,600	38,600	38,600	0	0
	Recharges	(1,834,793)	(1,930,000)	(1,942,600)	(1,942,600)	(12,600)	(12,600)
TOTAL SUPPORT CHARGES		(501,701)	(827,400)	(840,000)	(840,000)	(12,600)	(12,600)
NET (INCOME) / EXPENDITURE TO SUMMARY		(2,856,659)	1,528,100	(483,400)	679,400	(2,011,500)	(848,700)



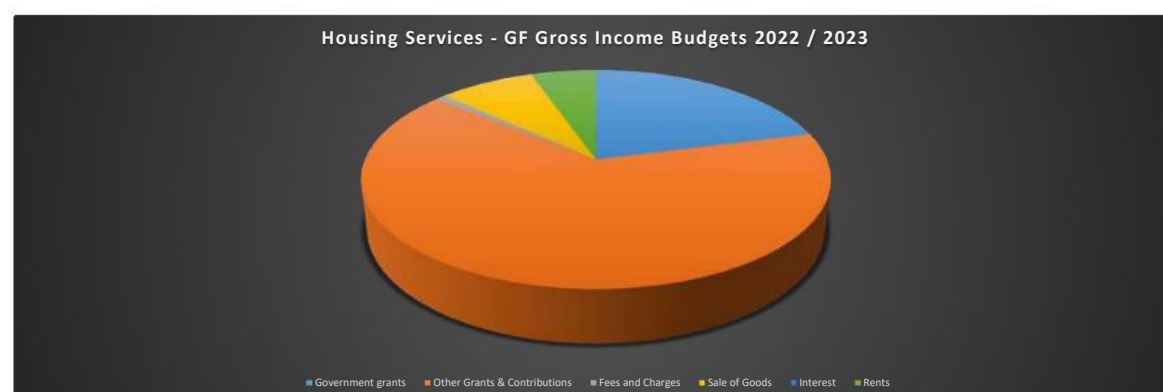
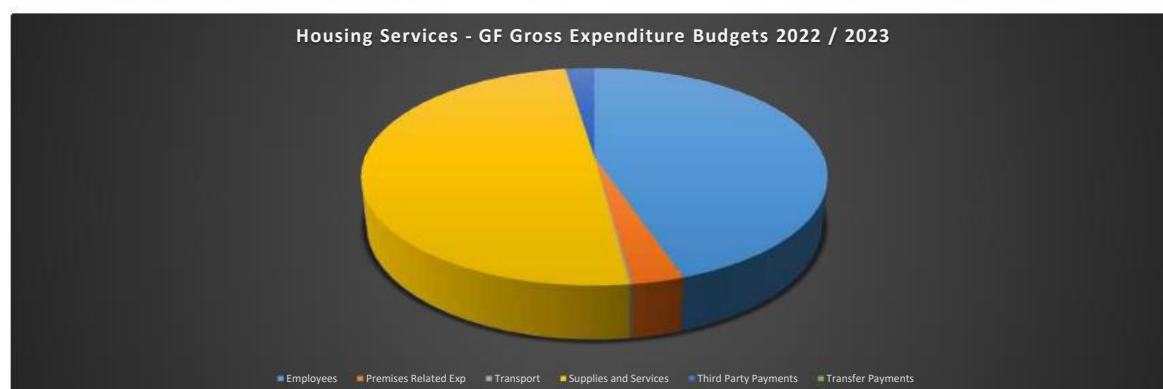
Finance Gross Expenditure Budgets 2022 / 2023



Finance Gross Income Budgets 2022 / 2023



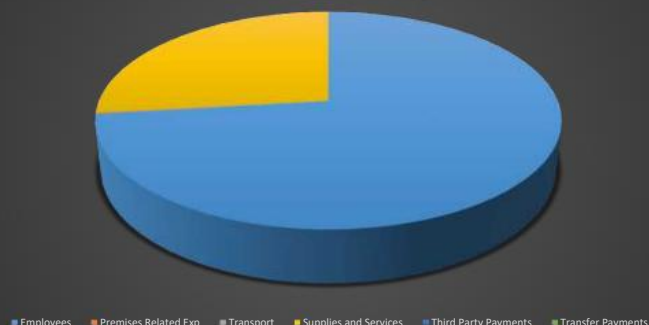
Housing Services - GF							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		(A)	(B)	(C)	(D)	(C-B)	(D-B)
S1590	Homelessness - Housing Advice	336,779	859,100	826,900	1,080,000	(32,200)	220,900
S1605	Housing Strategy	229,033	328,900	224,000	328,700	(104,900)	(200)
S1610	Other Housing Property	162,205	40,300	40,300	40,300	0	0
S1615	Contributions to HRA	38,700	39,400	12,000	12,700	(27,400)	(26,700)
S1630	Private Sector Housing	312,657	430,500	415,700	472,200	(14,800)	41,700
TOTAL HOUSING SERVICES - GF		1,079,374	1,698,200	1,518,900	1,933,900	(179,300)	235,700
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,202,184	1,091,700	1,463,300	1,515,700	371,600	424,000
	Premises Related Exp	130,637	100,300	139,300	102,000	39,000	1,700
	Transport	686	5,500	5,500	5,500	0	0
	Supplies and Services	1,578,454	1,341,000	2,018,000	1,680,100	677,000	339,100
	Third Party Payments	159,783	79,700	288,000	81,200	208,300	1,500
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		3,071,744	2,618,200	3,914,100	3,384,500	1,295,900	766,300
DIRECT INCOME							
	Government grants	(882,307)	(27,700)	(1,182,600)	(390,700)	(1,154,900)	(363,000)
	Other Grants & Contributions	(1,055,228)	(1,046,200)	(1,366,500)	(1,213,800)	(320,300)	(167,600)
	Fees and Charges	(8,478)	(15,600)	(15,600)	(15,600)	0	0
	Sale of Goods	(142,842)	(144,900)	(144,900)	(144,900)	0	0
	Interest	0	0	0	0	0	0
	Rents	(148,092)	(100,200)	(100,200)	(100,200)	0	0
TOTAL DIRECT INCOME		(2,236,945)	(1,334,600)	(2,809,800)	(1,865,200)	(1,475,200)	(530,600)
NET DIRECT (INCOME) / EXPENDITURE		834,799	1,283,600	1,104,300	1,519,300	(179,300)	235,700
SUPPORT CHARGES							
	Support Services	1,101,934	1,074,900	1,074,900	1,074,900	0	0
	Capital Charges	56,474	54,600	54,600	54,600	0	0
	Recharges	(913,833)	(714,900)	(714,900)	(714,900)	0	0
TOTAL SUPPORT CHARGES		244,575	414,600	414,600	414,600	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		1,079,374	1,698,200	1,518,900	1,933,900	(179,300)	235,700



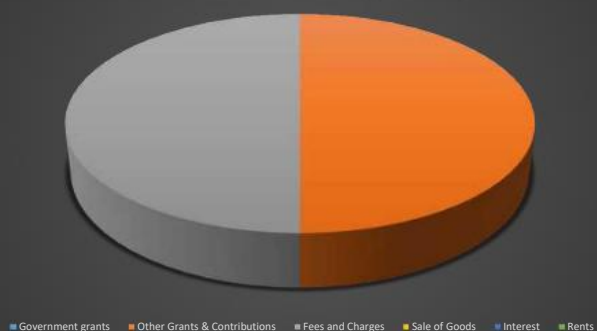
ICT Services							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S3500	ICT Management	145,406	175,500	170,100	156,400	(5,400)	(19,100)
TOTAL ICT SERVICES		145,406	175,500	170,100	156,400	(5,400)	(19,100)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,012,247	1,215,400	1,208,500	1,244,300	(6,900)	28,900
	Premises Related Exp	0	0	0	0	0	0
	Transport	158	4,100	4,100	4,100	0	0
	Supplies and Services	356,903	489,500	481,000	456,500	(8,500)	(33,000)
	Third Party Payments	15,189	0	0	0	0	0
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		1,384,497	1,709,000	1,693,600	1,704,900	(15,400)	(4,100)
DIRECT INCOME							
	Government grants	(2,552)	0	0	0	0	0
	Other Grants & Contributions	(15,875)	(44,800)	(44,800)	(44,800)	0	0
	Fees and Charges	(34,655)	(30,000)	(20,000)	(45,000)	10,000	(15,000)
	Sale of Goods	0	0	0	0	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(53,083)	(74,800)	(64,800)	(89,800)	10,000	(15,000)
NET DIRECT (INCOME) / EXPENDITURE		1,331,414	1,634,200	1,628,800	1,615,100	(5,400)	(19,100)
SUPPORT CHARGES							
	Support Services	224,323	248,900	248,900	248,900	0	0
	Capital Charges	130,123	127,900	127,900	127,900	0	0
	Recharges	(1,540,453)	(1,835,500)	(1,835,500)	(1,835,500)	0	0
TOTAL SUPPORT CHARGES		(1,186,008)	(1,458,700)	(1,458,700)	(1,458,700)	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		145,406	175,500	170,100	156,400	(5,400)	(19,100)



ICT Services Gross Expenditure Budgets 2022 / 2023



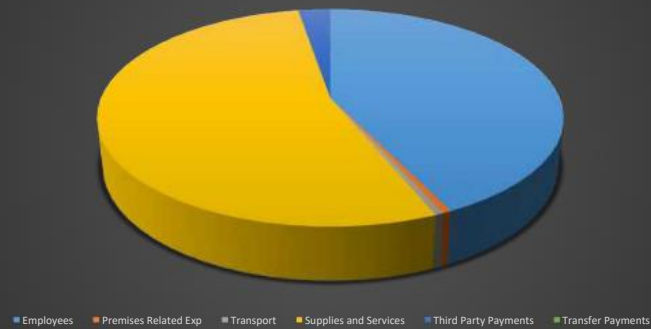
ICT Services Gross Income Budgets 2022 / 2023



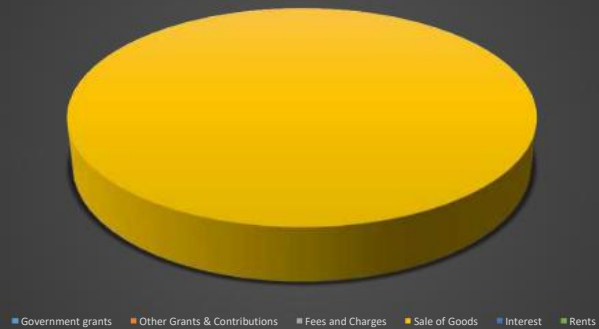
Law & Governance							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S2200	Committee Services	61,267	35,500	77,200	51,000	41,700	15,500
S2220	Democratic Representation	1,099,528	1,272,500	1,288,500	1,296,400	16,000	23,900
S2240	Elections	471,246	497,600	489,500	454,100	(8,100)	(43,500)
S4871	Legal Services	0	51,500	99,000	27,300	47,500	(24,200)
TOTAL LAW & GOVERNANCE		1,632,041	1,857,100	1,954,200	1,828,800	97,100	(28,300)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	429,417	725,600	740,300	434,700	14,700	(290,900)
	Premises Related Exp	10,046	100,800	100,800	5,400	0	(95,400)
	Transport	1,243	12,400	5,000	5,100	(7,400)	(7,300)
	Supplies and Services	586,357	683,900	726,200	544,800	42,300	(139,100)
	Third Party Payments	19,204	50,500	48,000	26,800	(2,500)	(23,700)
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		1,046,266	1,573,200	1,620,300	1,016,800	47,100	(556,400)
DIRECT INCOME							
	Government grants	(15,862)	(264,700)	(264,700)	0	0	264,700
	Other Grants & Contributions	(735)	(263,400)	(263,400)	0	0	263,400
	Fees and Charges	(7,427)	0	0	0	0	0
	Sale of Goods	10,918	(3,100)	(3,100)	(3,100)	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(13,106)	(531,200)	(531,200)	(3,100)	0	528,100
NET DIRECT (INCOME) / EXPENDITURE		1,033,160	1,042,000	1,089,100	1,013,700	47,100	(28,300)
SUPPORT CHARGES							
	Support Services	1,036,283	1,306,700	1,306,700	1,306,700	0	0
	Capital Charges	15,156	13,700	13,700	13,700	0	0
	Recharges	(452,558)	(505,300)	(455,300)	(505,300)	50,000	0
TOTAL SUPPORT CHARGES		598,881	815,100	865,100	815,100	50,000	0
NET (INCOME) / EXPENDITURE TO SUMMARY		1,632,041	1,857,100	1,954,200	1,828,800	97,100	(28,300)



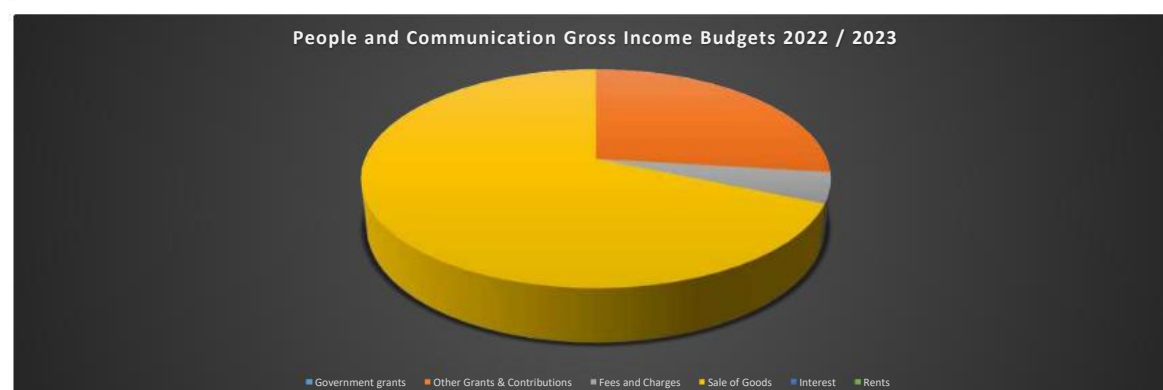
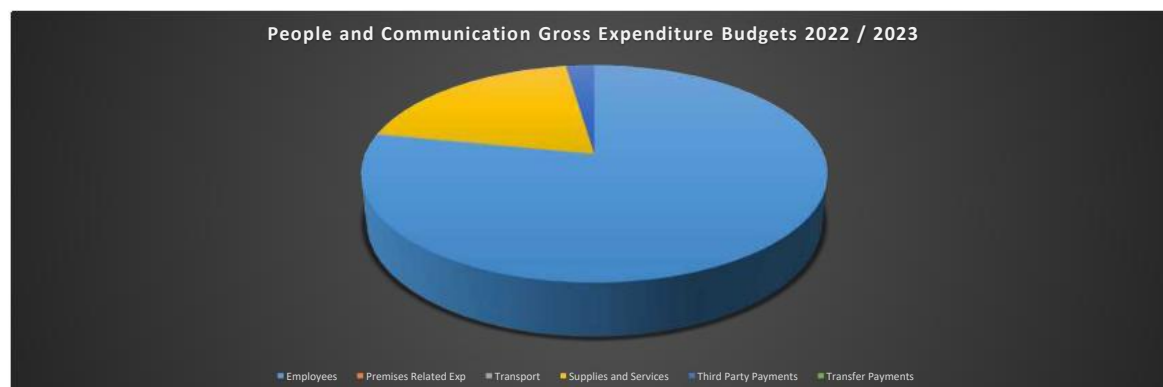
Law & Governance Gross Expenditure Budgets 2022 / 2023



Law & Governance Gross Income Budgets 2022 / 2023



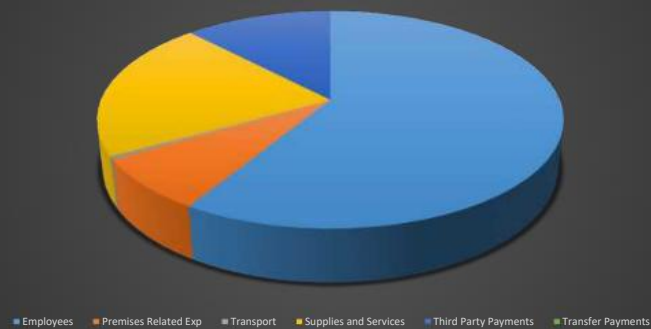
People and Communication							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		(A)	(B)	(C)	(D)	(C-B)	(D-B)
S2060	Human Resources	194,289	271,100	305,100	259,900	34,000	(11,200)
S2340	Media Room	10,261	64,600	97,600	120,300	33,000	55,700
S3470	Media & Communications	(1,136)	0	(100)	1,900	(100)	1,900
S6033	Members Training	823	5,200	9,500	5,300	4,300	100
TOTAL PEOPLE & COMMUNICATION		204,236	340,900	412,100	387,400	71,200	46,500
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	930,949	1,033,800	1,113,300	1,063,700	79,500	29,900
	Premises Related Exp	0	0	0	0	0	0
	Transport	81	2,100	2,100	2,100	0	0
	Supplies and Services	168,962	225,200	235,200	265,300	10,000	40,100
	Third Party Payments	34,420	31,500	37,300	32,100	5,800	600
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		1,134,412	1,292,600	1,387,900	1,363,200	95,300	70,600
DIRECT INCOME							
	Government grants	(1,533)	0	0	0	0	0
	Other Grants & Contributions	(8,713)	0	(24,100)	(24,100)	(24,100)	(24,100)
	Fees and Charges	(2,774)	(4,200)	(4,200)	(4,200)	0	0
	Sale of Goods	(16,966)	(60,900)	(60,900)	(60,900)	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(29,987)	(65,100)	(89,200)	(89,200)	(24,100)	(24,100)
NET DIRECT (INCOME) / EXPENDITURE		1,104,425	1,227,500	1,298,700	1,274,000	71,200	46,500
SUPPORT CHARGES							
	Support Services	245,172	304,900	304,900	304,900	0	0
	Capital Charges	11,767	22,000	22,000	22,000	0	0
	Recharges	(1,157,128)	(1,213,500)	(1,213,500)	(1,213,500)	0	0
TOTAL SUPPORT CHARGES		(900,189)	(886,600)	(886,600)	(886,600)	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		204,236	340,900	412,100	387,400	71,200	46,500



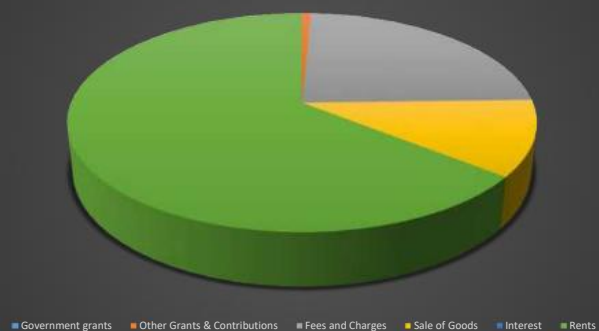
Place & Economy							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S1035	Christmas Illuminations	41,758	42,700	42,700	44,400	0	1,700
S1249	Events Management	196,905	248,100	262,600	281,600	14,500	33,500
S6000	Projects	750,490	323,400	326,300	243,900	2,900	(79,500)
S6001	Policy & Development	716,901	1,118,100	1,159,100	1,343,500	41,000	225,400
S6030	Regeneration	33,064	42,000	88,000	88,400	46,000	46,400
S6031	Markets	(1,080)	(16,600)	(23,300)	(23,100)	(6,700)	(6,500)
S6098	Grwoth Hub	145,539	177,200	184,600	179,100	7,400	1,900
TOTAL PLACE & ECONOMY		1,883,577	1,934,900	2,040,000	2,157,800	105,100	222,900
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	986,657	1,167,800	1,228,100	1,252,300	60,300	84,500
	Premises Related Exp	149,951	159,400	175,000	163,900	15,600	4,500
	Transport	1,717	8,800	8,800	8,800	0	0
	Supplies and Services	465,427	341,800	423,800	447,700	82,000	105,900
	Third Party Payments	147,889	156,200	164,700	259,000	8,500	102,800
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		1,751,641	1,834,000	2,000,400	2,131,700	166,400	297,700
DIRECT INCOME							
	Government grants	(39,726)	0	0	0	0	0
	Other Grants & Contributions	(279,400)	(4,400)	(78,900)	(4,400)	(74,500)	0
	Fees and Charges	(115,483)	(159,100)	(123,100)	(131,400)	36,000	27,700
	Sale of Goods	(58,092)	(92,000)	(60,800)	(60,800)	31,200	31,200
	Interest	0	0	0	0	0	0
	Rents	(255,319)	(219,600)	(273,600)	(353,300)	(54,000)	(133,700)
TOTAL DIRECT INCOME		(748,020)	(475,100)	(536,400)	(549,900)	(61,300)	(74,800)
NET DIRECT (INCOME) / EXPENDITURE		1,003,621	1,358,900	1,464,000	1,581,800	105,100	222,900
SUPPORT CHARGES							
	Support Services	266,888	518,800	518,800	518,800	0	0
	Capital Charges	613,068	189,400	189,400	189,400	0	0
	Recharges	0	(132,200)	(132,200)	(132,200)	0	0
TOTAL SUPPORT CHARGES		879,956	576,000	576,000	576,000	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		1,883,577	1,934,900	2,040,000	2,157,800	105,100	222,900



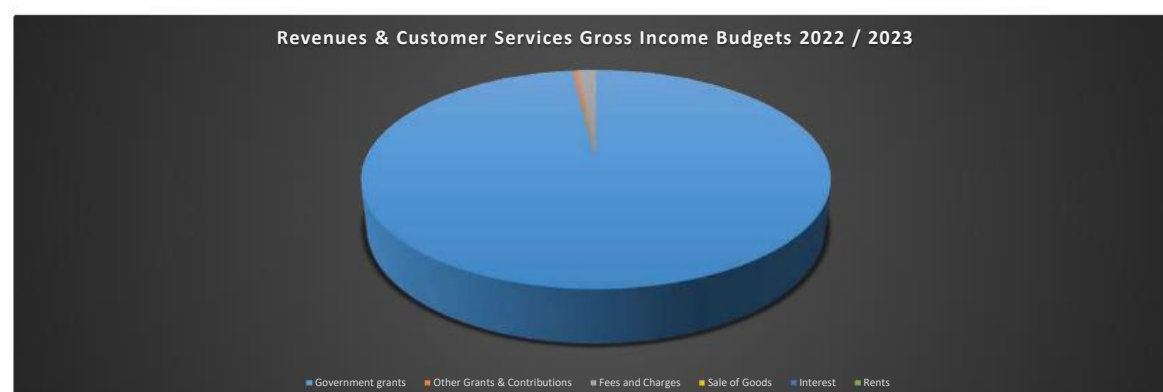
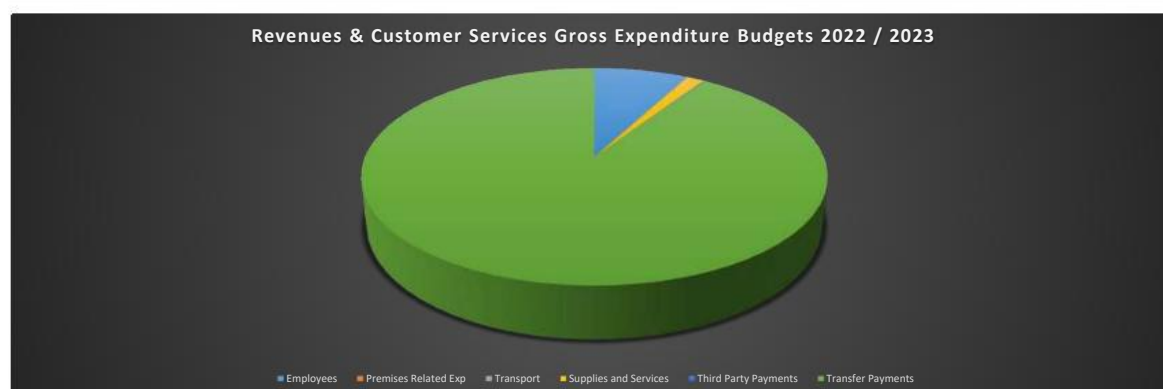
Place & Economy Gross Expenditure Budgets 2022 / 2023



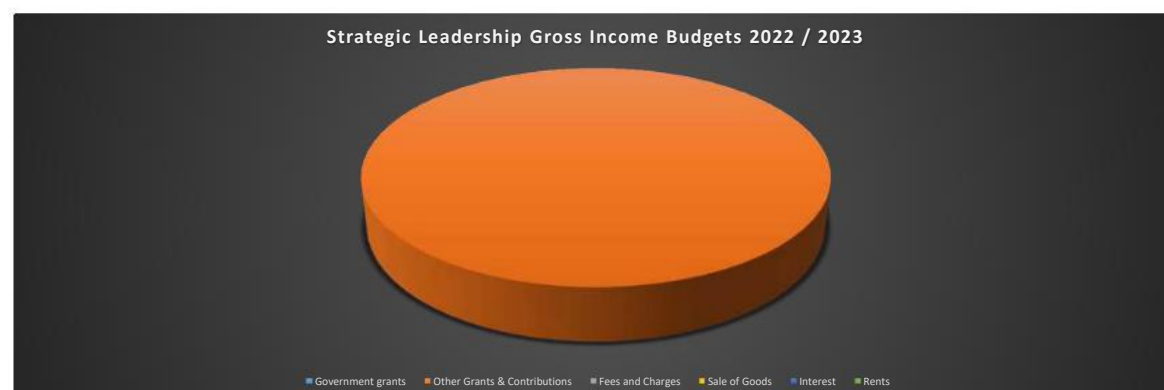
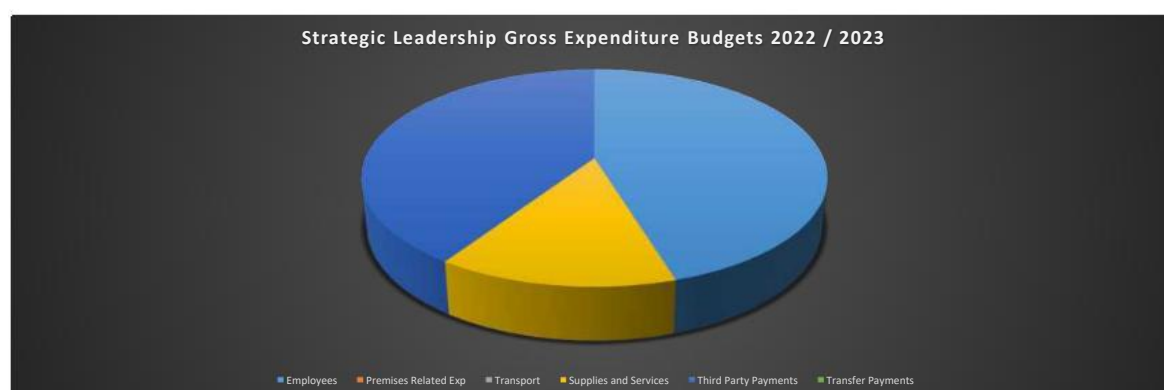
Place & Economy Gross Income Budgets 2022 / 2023



Revenues & Customer Services							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		.(A)	.(B)	.(C)	.(D)	(C-B)	(D-B)
S1418	Exchequer	(4,575)	0	(11,500)	(34,500)	(11,500)	(34,500)
S2600	Revenues & Customer Services Management (2)	3,922	0	45,000	(18,300)	45,000	(18,300)
S3050	Revenues	1,036,071	889,200	921,700	946,000	32,500	56,800
S3100	Customer Service	304,455	0	167,200	160,400	167,200	160,400
S3250	Benefits	365,033	708,300	316,500	542,400	(391,800)	(165,900)
TOTAL REVENUES & CUSTOMER SERVICES		1,704,906	1,597,500	1,438,900	1,596,000	(158,600)	(1,500)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	1,897,629	2,042,600	2,104,200	2,052,100	61,600	9,500
	Premises Related Exp	0	0	0	0	0	0
	Transport	1,106	2,700	2,700	2,700	0	0
	Supplies and Services	332,702	365,600	414,600	370,900	49,000	5,300
	Third Party Payments	9,349	26,800	26,800	27,300	0	500
	Transfer Payments	22,872,840	23,811,800	23,811,800	23,811,900	0	100
TOTAL DIRECT EXPENDITURE		25,113,626	26,249,500	26,360,100	26,264,900	110,600	15,400
DIRECT INCOME							
	Government grants	(23,829,110)	(24,618,300)	(24,887,500)	(24,635,200)	(269,200)	(16,900)
	Other Grants & Contributions	(87,719)	(91,700)	(91,700)	(91,700)	0	0
	Fees and Charges	(141,021)	(374,700)	(374,700)	(374,700)	0	0
	Sale of Goods	0	0	0	0	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(24,057,850)	(25,084,700)	(25,353,900)	(25,101,600)	(269,200)	(16,900)
NET DIRECT (INCOME) / EXPENDITURE		1,055,776	1,164,800	1,006,200	1,163,300	(158,600)	(1,500)
SUPPORT CHARGES							
	Support Services	1,177,809	1,305,200	1,305,200	1,305,200	0	0
	Capital Charges	0	0	0	0	0	0
	Recharges	(528,678)	(872,500)	(872,500)	(872,500)	0	0
TOTAL SUPPORT CHARGES		649,130	432,700	432,700	432,700	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		1,704,906	1,597,500	1,438,900	1,596,000	(158,600)	(1,500)



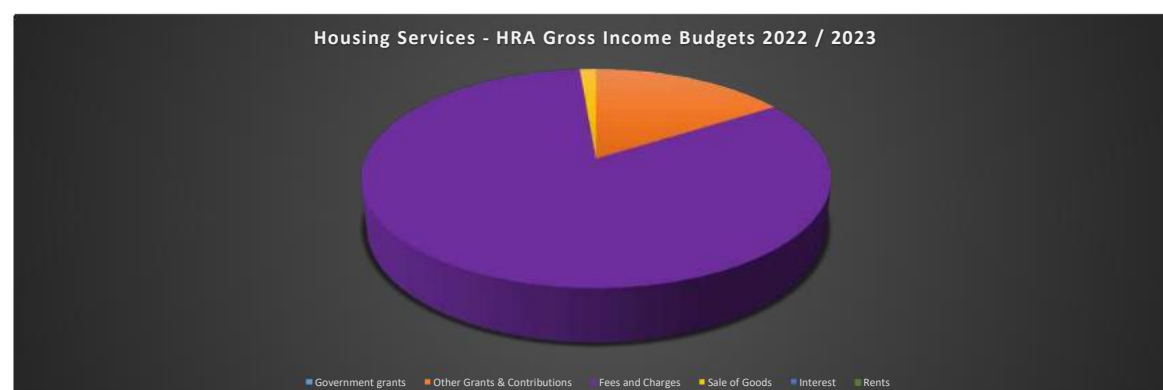
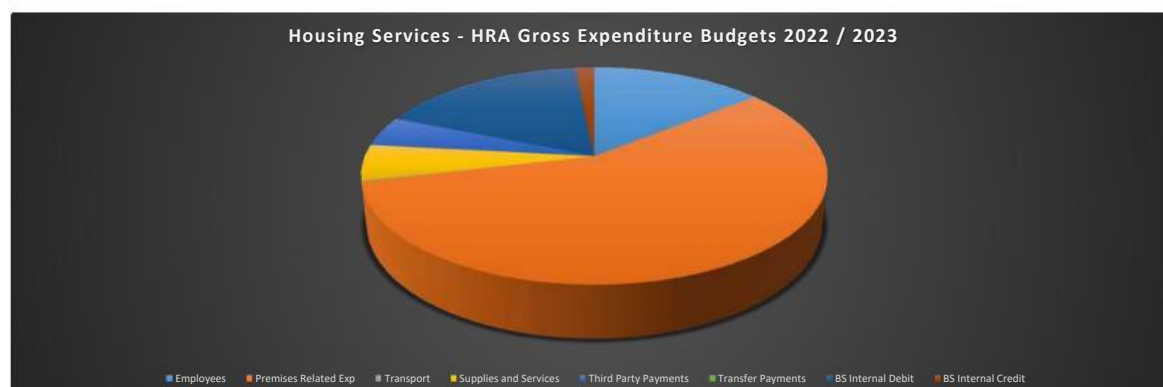
Strategic Leadership							
Service Area Code	Service Area's	Actuals 2020/21	Original Budget 2021/22	Latest Budget 2021/22	Original Budget 2022/23	Variance 2021/22	Variance 2022/23
		.(A)	.(B)	.(C)	.(D)	(C-B)	(D-B)
S2000	Chief Executive's Office	24,968	(35,000)	221,700	(139,900)	256,700	(104,900)
S2010	Corporate Projects	1,308,995	137,200	608,500	1,800	471,300	(135,400)
S3350	Corporate Support Team	(7,913)	0	(11,400)	(2,800)	(11,400)	(2,800)
S3600	Economic Development	43,719	1,800	9,000	1,800	7,200	0
S6032	Climate Change	76,956	506,000	495,400	545,800	(10,600)	39,800
S6035	Transformation	0	0	100,000	100,000	100,000	100,000
TOTAL STRATEGIC LEADERSHIP		1,446,726	610,000	1,423,200	506,700	813,200	(103,300)
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
	Employees	645,287	591,300	829,200	738,000	237,900	146,700
	Premises Related Exp	0	0	0	0	0	0
	Transport	0	800	800	800	0	0
	Supplies and Services	5,937	26,200	21,200	(228,500)	(5,000)	(254,700)
	Third Party Payments	380,731	659,200	1,239,500	663,900	580,300	4,700
	Transfer Payments	0	0	0	0	0	0
TOTAL DIRECT EXPENDITURE		1,031,955	1,277,500	2,090,700	1,174,200	813,200	(103,300)
DIRECT INCOME							
	Government grants	(1,222)	0	0	0	0	0
	Other Grants & Contributions	(66,680)	(52,000)	(52,000)	(52,000)	0	0
	Fees and Charges	0	0	0	0	0	0
	Sale of Goods	0	0	0	0	0	0
	Interest	0	0	0	0	0	0
	Rents	0	0	0	0	0	0
TOTAL DIRECT INCOME		(67,902)	(52,000)	(52,000)	(52,000)	0	0
NET DIRECT (INCOME) / EXPENDITURE		964,053	1,225,500	2,038,700	1,122,200	813,200	(103,300)
SUPPORT CHARGES							
	Support Services	135,223	162,100	162,100	162,100	0	0
	Capital Charges	1,209,664	1,600	1,600	1,600	0	0
	Recharges	(862,215)	(779,200)	(779,200)	(779,200)	0	0
TOTAL SUPPORT CHARGES		482,673	(615,500)	(615,500)	(615,500)	0	0
NET (INCOME) / EXPENDITURE TO SUMMARY		1,446,726	610,000	1,423,200	506,700	813,200	(103,300)



Housing Revenue Account - Summary						
HOUSING SERVICES - HOUSING REVENUE ACCOUNT	Outturn	Original Budget	Latest Budget	Original Budget	Variance	Variance
	2020/21	2021/22	2021/22	2022/23	2021/22	2022/23
	£	£	£	£	£	£
	A	B	C	D	C - B	D - B
7000	HOUSING REVENUE ACCOUNT					
EXPENDITURE						
7000-2051 PPM Non-Op	0	0	0	0	0	0
7000-2094 Housing Repairs Supervision	820,481	942,000	942,000	942,000	0	0
7000-2097 HRA Repairs and Maintenance	5,306,892	6,450,200	6,961,000	6,350,100	510,800	(100,100)
7000-2100 Electricity	58	400	0	0	(400)	(400)
7000-2110 Gas	80	2,500	2,500	3,000	0	500
7000-2130 Wood Fuel - Bio-Mass boiler	0	0	0	0	0	0
7000-2300 Rates	43,432	49,000	45,000	50,600	(4,000)	1,600
7000-2310 Council Tax	193,459	142,500	142,500	145,100	0	2,600
7000-2400 Water Charges-Metered	31,764	41,600	41,600	42,300	0	700
7000-2410 Water Rates	649	0	0	0	0	0
PREMISES	6,396,815	7,628,200	8,134,600	7,533,100	506,400	(95,100)
7000-4430 Debt Recovery Agency Costs	0	4,000	4,000	4,100	0	100
7000-4700 Grants-Revenue	2,000	0	0	0	0	0
7000-4800 Contributions To Provisions	0	75,800	75,800	77,200	0	1,400
7000-4810 Bad Debts Provision	350,736	395,500	395,500	402,600	0	7,100
SUPPLIES AND SERVICES	352,736	475,300	475,300	483,900	0	8,600
7000-5770 Consultants Fees	1,440	0	0	0	0	0
THIRD PARTY PAYMENTS	1,440	0	0	0	0	0
7000-7670 Supervision & Management - General	2,644,427	3,351,900	3,438,300	3,726,100	86,400	374,200
7000-7675 Supervision & Management - Special	2,326,404	2,650,400	2,627,900	2,602,800	(22,500)	(47,600)
SUPPORT SERVICES	4,970,831	6,002,300	6,066,200	6,328,900	63,900	326,600
7000-8200 Loss On Impairment/Revaluation Of Assets	(81,917)	0	0	0	0	0
7000-8810 Depreciation on Council Dwellings	5,512,704	5,654,000	5,654,000	5,654,000	0	0
7000-8811 Depreciation on Other HRA Properties	450,894	541,800	541,800	541,800	0	0
7000-8812 Depreciation on Equipment	57,049	10,700	10,700	10,700	0	0
CAPITAL CHARGES	5,938,730	6,206,500	6,206,500	6,206,500	0	0
GROSS EXPENDITURE	17,660,552	20,312,300	20,882,600	20,552,400	570,300	240,100
INCOME						
7000-9019 Government Grants - Covid-19	(4,974)	0	0	0	0	0
7000-9110 Contributions from other local authority	(201,375)	0	0	0	0	0
7000-9208 Other Income	(3,410)	0	0	0	0	0
7000-9260 Insurance Settlement	(1,091)	0	0	0	0	0
7000-9303 Fees+Charges General	0	(2,000)	(2,000)	(2,000)	0	0
7000-9320 Credit Card Charges	(1)	0	0	0	0	0
7000-9395 Other Licences	(695)	(4,200)	(4,200)	(4,200)	0	0
7000-9396 Legal Fees	0	0	0	0	0	0
7000-9397 Heating Charges	(168,651)	(164,500)	(164,500)	(164,500)	0	0
7000-9402 Service Charges	(194,483)	(204,000)	(204,000)	(204,000)	0	0
7000-9407 Service Charges Supporting People	(108,672)	(161,400)	(161,400)	(171,200)	0	(9,800)
7000-9422 Water Charges Supporting People	(36,090)	(33,000)	(33,000)	(34,400)	0	(1,400)
7000-9442 Service Charges Leasehold	(9,935)	0	0	0	0	0
7000-9481 Ringo income	0	0	0	0	0	0
7000-9500 Rents-Housing	(24,779,676)	(25,330,000)	(25,330,000)	(26,341,100)	0	(1,011,100)
7000-9506 Rents-Shared Ownership	(61,425)	(73,700)	(73,700)	(100,000)	0	(26,300)
7000-9507 Rents-Affordable	(546,455)	(513,300)	(513,300)	(731,900)	0	(218,600)
7000-9509 Use and Occupation - Homeless	(65,547)	(30,000)	(30,000)	(33,000)	0	(3,000)
7000-9510 Rents-Garages	(691,855)	(762,200)	(762,200)	(764,900)	0	(2,700)
7000-9520 Rents-Others	(365,011)	(353,700)	(353,700)	(353,700)	0	0
7000-9710 General Fund	(38,700)	(38,700)	(38,700)	(38,700)	0	0
GROSS INCOME	(27,278,046)	(27,670,700)	(27,670,700)	(28,943,600)	0	(1,272,900)
NET INCOME FROM SERVICES	(9,617,494)	(7,358,400)	(6,788,100)	(8,391,200)	570,300	(1,032,800)
7000-9610 Interest-Balances	(224,995)	(304,200)	(304,200)	(304,200)	0	0
7000-9810 Capital Charges - Adj	0	(100,000)	(100,000)	(100,000)	0	0
NET OPERATIONAL INCOME	(9,842,489)	(7,762,600)	(7,192,300)	(8,795,400)	570,300	(1,032,800)
APPROPRIATIONS						
7000-8000 Reversal of Notional Interest	14,356,600	14,357,000	14,357,000	14,357,000	0	0
7000-8030 Reversal of Notional Interest	(14,356,600)	(14,357,000)	(14,357,000)	(14,357,000)	0	0
7000-8600 External Interest	4,765,564	4,765,600	4,765,600	4,765,600	0	0
7000-9801 Approp HRA Resource Equiv to Depn to MRR	6,020,646	0	0	0	0	0
7000-9802 Approp from CAA to Offset HRA Resources	(6,020,646)	0	0	0	0	0
7000-8015 Capital financing	1,185,970	0	0	0	0	0
7000-8017 Cap Fin-Rev Contr to Cap Outlay(GF+HIP)	0	119,600	119,600	119,600	0	0
7000-8043 Cont from Reserves	851,675	8,000	(109,300)	73,400	(117,300)	65,400
7000-8044 Contrib HRA Capital Invest Reserve (Dr)	4,359,311	3,250,100	2,797,100	4,220,700	(453,000)	970,600
7000-8282 Recognised gains/losses -asset sales	2,332,150	0	0	0	0	0
7000-8288 F Assets sales b/s val trf to I & E a/c	1,576,597	0	0	0	0	0
7000-8515 Capital financing	(1,185,970)	0	0	0	0	0
7000-8543 Cont from Reserves	(57,600)	(100,000)	(100,000)	(100,000)	0	0
7000-8782 rec gains/losses - fa - reversal	(2,332,150)	0	0	0	0	0
7000-8786 NCA Impair/Revals Losses charged to rev	81,917	0	0	0	0	0
7000-8789 F Asset sales trf from I & E to CAA a/c	(1,576,597)	0	0	0	0	0
7000-8791 employee benefits accruals (cr)	(8,115)	0	0	0	0	0
7000-8990 Net IAS19 Charges for Retirement Benefits	(683,629)	(878,800)	(878,800)	(878,800)	0	0
7000-8991 Employers Contribs payable to Pension Fd	365,026	402,000	402,000	402,000	0	0
7000-8992 Pensions Interest+Rate of Return Assets	138,141	165,700	165,700	165,700	0	0
TRANSFER (TO) / FROM HRA RESERVE	(30,200)	(30,400)	(30,400)	(27,200)	0	3,200
Balance Brought Forward	(1,482,900)	(1,513,100)	(1,513,100)	(1,543,500)	0	(30,400)
HRA BALANCE CARRIED FORWARD	(1,513,100)	(1,543,500)	(1,543,500)	(1,570,700)	0	(27,200)

Housing Revenue Account - Service Analysis						
HOUSING SERVICES - HOUSING REVENUE ACCOUNT	Outturn 2020/21 £ A	Original Budget 2021/22 £ B	Latest Budget 2021/22 £ C	Original Budget 2022/23 £ D	Variance 2021/22 £ C - B	Variance 2022/23 £ D - B
7000 HOUSING REVENUE FUND	(0)	0	0	0	0	0
HOUSING SERVICES						
7780 Housing & Void Repairs Team	390,628	449,200	443,800	457,500	(5,400)	8,300
7300 Housing & Property Services Management	126,089	50,000	176,000	(9,800)	126,000	(59,800)
7405 Sustaining Tenancies Mgt	15,663	4,700	4,700	4,700	0	0
7550 Housing Lettings Team	235,361	268,700	268,700	268,700	0	0
7200 Housing Services (dept. wide costs)	194,120	181,300	181,000	181,100	(300)	(200)
7250 Housing Services Recharges a/c	(2,780,764)	(3,421,700)	(3,421,700)	(3,421,700)	0	0
7330 Housing Strategy & Development Mgt	552,055	822,600	835,200	956,800	12,600	134,200
7335 Business Development & Change	158,663	276,000	242,700	282,700	(33,300)	6,700
7600 Tenancy Management	834,455	937,500	985,600	1,036,000	48,100	98,500
7406 Lettings Incentive Scheme	8,781	20,800	20,800	21,200	0	400
7700 Housing Income Recovery	123,599	223,700	221,900	224,700	(1,800)	1,000
7710 Housing Financial Inclusion	1,564	3,200	3,200	3,200	0	0
7340 H&PS Service Improvement	85,630	98,800	106,500	99,900	7,700	1,100
7360 Housing Technical Admin	0	0	0	0	0	0
7610 Tenant Development	24,076	41,200	41,200	41,500	0	300
7611 Tenant Panel	746	0	0	0	0	0
7615 Engagement Grants	0	800	800	800	0	0
7616 EMR Housing Tenant Survey	0	0	0	0	0	0
7750 H&PS Business Support	35,891	41,900	41,500	41,500	(400)	(400)
7755 Tenants Insurance	(6,558)	1,400	3,700	(600)	2,300	(2,000)
TRANSFER TO HRA SUMMARY	(0)	100	155,600	188,200	155,500	188,100
SUPERVISION & MANAGEMENT GENERAL						
7011 HRA PV Panels	(86,189)	(74,200)	(74,200)	(74,100)	0	100
7013 RHI Renewable Heat Initiative	0	(20,900)	(20,900)	(20,900)	0	0
7782 HRA Stock Condition+Structural Surveys	8,070	124,800	124,800	200,000	0	75,200
7010 Housing Supervision & Mgt (S&M) General	2,592,910	3,253,100	3,180,700	3,367,500	(72,400)	114,400
7030 HRA Shops and Commercial Props	35,812	14,400	14,400	14,600	0	200
7210 Turpin Court Garage site	38,545	0	0	0	0	0
7211 Spa View Garage site	0	0	5,100	0	5,100	0
7212 Shakespeare Avenue Garage site	0	0	5,800	0	5,800	0
7213 1 Warwick Street site	6,308	0	0	0	0	0
7214 Golf Lane land	0	0	0	0	0	0
7614 Events & Consultations	0	6,200	6,200	6,300	0	100
7650 Shared Ownership	5,958	3,100	1,400	3,400	(1,700)	300
7020 Right to Buy Admin	43,014	45,400	39,400	41,100	(6,000)	(4,300)
7640 Leasehold Management	0	0	0	0	0	0
TRANSFER TO HRA SUMMARY	2,644,427	3,351,900	3,282,700	3,537,900	(69,200)	186,000
SUPERVISION & MANAGEMENT SPECIAL						
7928 RepM Fire Risk Assessments- Communal	0	49,300	49,300	0	0	(49,300)
7433 William Wallsgrove House	0	6,700	6,700	6,900	0	200
7620 Open Spaces	594,564	579,900	561,300	599,100	(18,600)	19,200
7630 Communal Areas	434,985	497,400	497,400	506,600	0	9,200
7635 Neighbourhood Estates Services	233,227	330,100	330,300	385,400	200	55,300
7415 Warwick Response Business Mgt	29,722	38,700	38,700	38,700	0	0
7420 Warwick Response Control Centre	933,914	1,050,100	1,182,700	1,105,300	132,600	55,200
7427 Help on call MSWLT	0	0	0	0	0	0
7428 Help on call LLAT	0	0	0	0	0	0
7429 Lifeline Private WDC customer income	(173,831)	(173,800)	(311,000)	(331,000)	(137,200)	(157,200)
7431 Very Sheltered Cleaning	15,930	9,400	9,400	9,500	0	100
7434 Supported Housing Scheme	0	0	0	0	0	0
7436 Beauchamp House	32,761	25,700	28,000	28,400	2,300	2,700
7445 Housing Support Team	0	2,100	2,100	2,100	0	0
7450 Housing Central Heating	1,545	2,300	2,300	2,300	0	0
7451 CH Acorn Court, LS	28,840	26,400	26,400	28,800	0	2,400
7452 CH Tannery Court, Ken	16,870	32,200	30,500	31,900	(1,700)	(300)
7453 CH Yeomanry Close, Wk	22,571	21,700	21,700	24,100	0	2,400
7454 CH James Court, Wk	16,469	14,300	14,300	16,000	0	1,700
7455 CH Chandos Court, LS	44,157	41,900	41,900	45,800	0	3,900
7456 CH Radcliffe Gardens, LS	21,899	21,200	21,200	25,400	0	4,200
7457 Utility charges Sayer Court, LS	37,679	34,700	34,700	36,400	0	1,700
7460 Community Centres	35,102	40,000	40,000	41,100	0	1,100
TRANSFER TO HRA SUMMARY	2,326,404	2,650,300	2,627,900	2,602,800	(22,400)	(47,500)
HOUSING REPAIRS						
7910 RepM Electrical repairs	321,623	573,500	573,500	574,000	0	500
7912 RepM Gas/Heating Maintenance	746,787	594,700	594,700	750,000	0	155,300
7940 RepM HRA Asbestos works	401,072	416,000	416,000	400,000	0	(16,000)
7960 RepR Void Repair Contract	1,206,308	1,280,700	1,280,700	1,200,000	0	(80,700)
7964 RepR Out of Hours Contract	(149)	0	0	0	0	0
7966 RepR Day to Day Repairs Contract	1,989,041	1,499,900	1,499,900	1,900,100	0	400,200
7968 RepR Garages: Responsive Repairs	25,268	158,700	158,700	160,000	0	1,300
7900 RepM Painting & Decorations	83,975	595,000	1,106,000	595,000	511,000	0
7901 RepM Concrete Repairs	0	40,000	40,000	0	0	(40,000)
7911 RepM Energy Efficiency	3,697	0	0	0	0	0
7916 RepM Door Entry & Security Maintenance	103,535	60,200	60,200	100,200	0	40,000
7922 RepM Legionella Testing	5,755	34,600	34,600	10,000	0	(24,600)
7923 EMR Mobility Scooter Store (RepM Fire Pr	0	0	0	0	0	0
7926 RepM Fire Prevention Works	105,925	967,000	967,000	400,000	0	(567,000)
7930 RepM HRA Paths and Surfacing	119,856	100,000	100,000	100,000	0	0
7914 RepM HRA Lift Maintenance	99,725	37,300	37,300	100,000	0	62,700
7920 RepM HRA Stairlift Maintenance	52,613	81,700	81,700	50,000	0	(31,700)
7918 RepM Shop Maintenance	41,860	10,900	10,700	10,800	(200)	(100)
7903 RepM Communal flooring/carpets	0	0	0	0	0	0
TRANSFER TO SUMMARY	5,306,892	6,450,200	6,961,000	6,350,100	510,800	(100,100)

Housing Services - HRA							
Service Area Code	Service Area's	Actuals 2020/21 (.A)	Original Budget 2021/22 (.B)	Latest Budget 2021/22 (.C)	Original Budget 2022/23 (.D)	Variance 2021/22 (C-B)	Variance 2022/23 (D-B)
S6099	Tenancy Management	844,800	961,500	1,009,600	1,060,400	48,100	98,900
S7000	Housing Revenue Ac	(0)	0	0	0	0	0
S7010	Hsg Sup+Man General	0	(6,200)	(161,800)	(194,500)	(155,600)	(188,300)
S7020	Housing Business Support	(2,034,588)	(2,417,800)	(2,405,500)	(2,283,800)	12,300	134,000
S7030	Housing Services Management	126,089	50,000	176,000	(9,800)	126,000	(59,800)
S7040	Business Development	244,293	374,800	349,200	382,600	(25,600)	7,800
S7060	Maintenance	390,628	449,200	443,800	457,500	(5,400)	8,300
S7070	Independent Living	428,778	588,600	588,700	587,600	100	(1,000)
S7410	Warwick Response	789,804	915,000	910,400	813,000	(4,600)	(102,000)
S7430	Homelessness	32,761	32,400	34,700	35,300	2,300	2,900
S7450	Utilities	190,031	194,700	193,000	210,700	(1,700)	16,000
S7460	Community Centres	35,102	40,000	40,000	41,100	0	1,100
S7635	Building & Estates Service	(1,047,698)	(1,231,500)	(1,227,400)	(1,100,100)	4,100	131,400
S7900	Housing Repairs - Major	(3,220,468)	(2,890,000)	(2,890,000)	(3,260,100)	0	(370,100)
S7950	Housing Repairs - Responsive	3,220,468	2,939,300	2,939,300	3,260,100	0	320,800
TOTAL HOUSING SERVICES - HRA		(0)	0	0	0	0	0
SUBJECTIVE ANALYSIS							
DIRECT EXPENDITURE							
Employees		3,055,180	3,575,600	3,707,800	3,665,300	132,200	89,700
Premises Related Exp		12,414,154	14,912,300	15,936,100	14,714,500	1,023,800	(197,800)
Transport		11,372	22,800	37,800	38,400	15,000	15,600
Supplies and Services		1,440,964	1,119,100	1,418,300	1,379,900	299,200	260,800
Third Party Payments		846,932	1,058,300	1,116,800	1,159,000	58,500	100,700
Transfer Payments		0	0	0	0	0	0
BS Internal Debit		10,335,903	3,408,100	2,837,800	4,440,900	(570,300)	1,032,800
BS Internal Credit		(5,258,978)	(411,100)	(411,100)	(411,100)	0	0
TOTAL DIRECT EXPENDITURE		22,845,528	23,685,100	24,643,500	24,986,900	958,400	1,301,800
DIRECT INCOME							
Government grants		(688,802)	(17,500)	(360,700)	(29,000)	(343,200)	(11,500)
Other Grants & Contributions		(139,834)	(29,800)	(57,200)	(57,200)	(27,400)	(27,400)
Fees and Charges		(918,328)	(987,600)	(1,104,800)	(1,136,000)	(117,200)	(148,400)
Sale of Goods		(381,913)	(241,600)	(201,400)	(194,500)	40,200	47,100
Interest		(224,995)	(304,200)	(304,200)	(304,200)	0	0
Rents		(26,549,646)	(27,062,900)	(27,062,900)	(28,324,600)	0	(1,261,700)
TOTAL DIRECT INCOME		(28,903,517)	(28,643,600)	(29,091,200)	(30,045,500)	(447,600)	(1,401,900)
NET DIRECT (INCOME) / EXPENDITURE		(6,057,989)	(4,958,500)	(4,447,700)	(5,058,600)	510,800	(100,100)
SUPPORT CHARGES							
Support Services		9,298,664	10,984,400	11,048,300	11,311,000	63,900	326,600
Capital Charges		10,704,293	10,972,100	10,972,100	10,972,100	0	0
Capital Charges Adjustment		0	(100,000)	(100,000)	(100,000)	0	0
Recharges		(13,944,968)	(16,898,000)	(17,472,700)	(17,124,500)	(574,700)	(226,500)
TOTAL SUPPORT CHARGES		6,057,989	4,958,500	4,447,700	5,058,600	(510,800)	100,100
NET (INCOME) / EXPENDITURE TO SUMMARY		(0)	0	0	0	0	0



Cabinet

Excerpt of the minutes of the meeting held on Thursday 10 March 2022 in the Town Hall, Royal Leamington Spa at 6.00 pm.

Present: Councillors Day (Leader), Bartlett, Cooke, Falp, Grainger, Hales, and Matecki.

Also Present: Councillors: Boad (Liberal Democrat Group Observer), Davison, (Green Group Observer), Mangat (Labour Group Observer), Milton (Chair of Overview & Scrutiny Committee) and Nicholls (Chair of Finance & Audit Scrutiny Committee and Labour Group Observer)

107. **Apologies for Absence**

Apologies for absence were received from Councillor Rhead.

108. **Declarations of Interest**

There were no declarations of interest.

109. **Minutes**

The minutes of the meeting held on 10 February 2022 were taken as read and signed by the Chairman as a correct record.

Part 1

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

110. **Length of Council, Cabinet & Committee meeting**

The Cabinet considered a report from Democratic Services which brought forward proposals for length of meetings of the Council/Cabinet and Committees.

The proposals were brought forward following discussion with Group Leaders.

An investigation into a complaint, about the handling and determination of a planning application, highlighted the potential risks and impact of taking decisions late into the evening, especially on more technical matters.

Informally, officers and Councillors raised concerns about length of Council/Cabinet and Committee meetings after working during the day. Lengthy and/or late finishing meetings could also pose a wider risk to health, safety and well-being of those participating and the report sought to provide some assurance and mitigations against long meetings.

In essence, the proposal formalised the understanding currently in place with Chairmen on a break after two hours and to minimise meetings going on significantly past 10.00pm. The recommendations provided a framework to support those decisions, so they were clear and transparent for all parties.

The report proposals were considered a reasonable approach to provide clarification on current informal practices.

In terms of alternative options, the Cabinet could decide not to progress with the proposals and/ or amend the proposed times, however, the proposal provided a structured approach which allowed for variation at individual meetings.

The Group Observers expressed support for the recommendations in the report, stating that decisions could not be made effectively past a certain time.

Councillor Day then proposed the report as laid out.

Recommended to Council that

- (1) a formal break in the meeting of no less than 10 minutes be taken, after no later than two and a half hours into a meeting, at the conclusion of an item, unless at least half of those present agree to continue;
- (2) no item of business will be started after 9.30pm unless at least half of those present agree to proceed. The proposal must be moved by the Chairman of the meeting, duly seconded and voted upon; and
- (3) if the motion in recommendation (2) above is lost, any remaining business will either be adjourned/deferred to a time and date fixed by the Chairman, which is to be no earlier than 6.00pm the next working day; but if no date is fixed, any item not considered will stand deferred to the next scheduled meeting of the Council/ Cabinet/ Committee.

(The Portfolio Holder for this item was Councillor Day)

111. Treasury Management Strategy 2022/23

The Cabinet considered a report from Finance which detailed the strategy that the Council would follow in carrying out its treasury management activities in 2022/23.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defined treasury management as:

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

While any 'commercial' initiatives or loans to third parties would impact on the treasury function, these activities were generally classed as non-treasury activities, (arising usually from capital expenditure), and were separate from the day-to-day treasury management activities.

The Council's treasury management operations were governed by various Treasury Management Practices (TMPs) that the CIPFA Treasury Management Code required to be produced by the Council and adhered to by those officers engaged in the treasury management function. These TMPs were previously reported to the Cabinet and were subject to periodic Internal Audit review.

There would be updates made to the TMPs before 1 April 2022 for the recent changes required below.

Under CIPFA's updated *Treasury Management in Public Services Code of Practice*, the Council continued to be required to have an approved annual Treasury Management Strategy, under which its treasury management operations could be carried out. The proposed Strategy for 2022/23 was included as Appendix A to the report.

This Council had regard to the Government's Guidance on Local Government Investments. The guidance stated that an Annual Investment Strategy had to be produced in advance of the year to which it related and had to be approved by the Council. The Strategy could be amended at any time, and it had to be made available to the public. The Annual Investment Strategy for 2022/23 was shown as Appendix B to the report.

The Council had to make provision for the repayment of its outstanding long-term debt and other forms of long-term borrowing such as finance leases. Statutory guidance issued by MHCLG / DLUHC required that a statement on the Council's Minimum Revenue Provision (MRP) Policy be submitted to Council for approval before the start of the relevant financial year. This was contained in Appendix C to the report.

On 30 November 2021 DLUHC issued "Consultation on changes to the capital framework: Minimum Revenue Provision", to last for 10 weeks until 8 February 2022.

The paper primarily covered the concerns that the Government had in respect of compliance with the duty to make a prudent revenue provision, which in their view, resulted in an underpayment of MRP. The consultation document stated that the DLUHC were not intending to change the statutory MRP guidance, but to clearly set out in legislation the practices that authorities should already be following.

However, the proposals would result in a removal of the discretion of councils to interpret their measure of a prudent MRP policy, and, in particular, to elect to use capital receipts from capital loan repayments in place of the revenue charge (a MRP 'holiday'). This would have major implications for councils such as Warwick District Council.

The changes would take effect from 1 April 2023 and the Government said that they would be "prospective", meaning that although they would not apply to previous financial years, they would apply to existing loans repayable after that date. This would, contrary to the accountancy and legal advice obtained at the time, apply to the housing joint venture loans, which would require MRP being charged, which would run into many millions of pounds each year. The Council responded to the Government's consultation, pointing out the severe impact and uncertainty such changes would make.

If the changes, as originally proposed, did come in from April 2023, many local authorities, along with Warwick District Council, were likely to incur substantial additional revenue costs. While the Government's original intention was to limit MRP 'holidays' on borrowing for investment purposes, the proposals would also restrict invest for housing and regeneration purposes. Consequently, it was hoped that the new Regulations would recognise this, so as to allow such investment and not inflict significant additional revenue costs on such local authorities.

The recommended MRP Policy at Appendix C to the report would still enable the MRP to exclude such loan repayments, while the consultation was underway, but a full risk assessment based on the latest information and recommendations from Link etc. would be undertaken before any capital investment for which the MRP 'holiday' might be deemed to apply was committed.

The Prudential Code required full Council to approve several Prudential Indicators, including amounts of borrowing required to support capital expenditure, set out in Appendix D to the report, which had to be considered when determining the Council's Treasury Management Strategy for a minimum of the next three financial years.

The Prudential Code for Capital Finance in Local Authorities was last revised on 20 December 2021 and introduced new requirements for the way that capital spending plans were considered and approved, in conjunction with the development of an integrated Treasury Management Strategy. It was effective immediately, but councils might defer reporting until 2023/24. Given the other workstreams the Council was facing and that this was the advice of the treasury advisers, the Council was recommended to defer until the statutory deadline.

The key points were:

- a) an authority must not borrow to invest primarily for financial return;
- b) revised definition of investments;
- c) quarterly monitoring and reporting of Performance Indicators;
- d) new performance indicator for net income from commercial and service investments as a percentage of net revenue stream;
- e) new performance indicator for the 'liability benchmark';
- f) capital Finance Requirement includes heritage assets;
- g) annual strategy review of divesting commercial activities;
- h) objectives must include the need for plans and risks to be proportionate;
- i) new definitions of prudence; and
- j) reference to Environmental Sustainability in the Capital Strategy.

Point d) above introduced a new distinction of service investments, for investments that were neither treasury investments as defined in paragraph 1.1 in the report and were not unpermitted 'commercial' investments primarily for yield. Examples of service investments would be the Council's housing joint venture to enable the greater provision of housing in the district, or third-party loans to facilitate economic regeneration.

The Cabinet previously requested that the 2020/21 Treasury Management Strategy Statement considered the policy of investing in fossil fuels. The

Council had some exposure to fossil fuel extraction companies in two corporate equity funds, operational since 2017/18. The Council divested from these funds during 2021/22 and now did not have any directly measurable investment exposure to fossil fuel extraction.

The Council was required to operate a balanced budget, which broadly meant that cash raised during the year would meet cash expenditure. Part of the treasury management operation was to ensure that this cash flow was adequately planned, with cash being available when it was needed. Surplus monies were invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return (i.e., Security, Liquidity, Yield = "SLY").

The second main function of the treasury management service was the funding of the capital plans. These capital plans provided a guide to the borrowing need of the Council, essentially longer-term cash-flow planning, to ensure that the Council could meet its capital spending obligations. This management of longer-term cash might involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it was prudent and economic, any debt previously drawn might be restructured to meet Council risk or cost objectives.

The contribution the treasury management function made to the authority was critical, as the balance of debt and investment operations ensured liquidity or the ability to meet spending commitments as they fell due, either on day-to-day revenue or for larger capital projects. The treasury operations would see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally resulted from reserves and balances, it was paramount to ensure adequate security of the sums invested (i.e. the "S" in "SLY" above), as a loss of principal would result in a chargeable loss to the General Fund.

Treasury Management could have a significant impact on Warwick District Council's budget through its ability to maximise its investment interest income and minimize borrowing interest payable whilst ensuring the security and liquidity of financial resources.

The 2022/23 budget for investment income, after inclusion of growth items, was as follows:

Investment Income	21/22 Revised budget £'000	22/23 Original budget £'000
One-off item:		
Capital gains on divestment of corporate equity funds	405.6	-
Recurring items:		
External investment income	296.4	242.6
Deferred capital receipts interest	13.7	10.6
Long-term debtor loans	234.1	201.8
/less : HRA allocation	-114.5	-106.5
Net interest to General Fund	429.7	348.5

The divestment from the Council's two corporate equity funds, as part of its Climate Change Emergency targets, during September 2021 realised actual capital gains of £405,593, taking the opportunity when it was believed that equities were near an optimum 'high' to sell at a favourable time. This could be compared with the position on 31 March 2021 when there would have been a loss of £94,585 and on 31 March 2020 when the loss would have been over £1.4m.

The amount of interest that was to be credited to the Housing Revenue Account as 'HRA allocation' would vary depending on how the net balances and cashflow of the HRA changes.

Whilst any 'service' (not primarily 'for yield') initiatives or loans to third parties would impact on the treasury function, these activities were generally classed as non-treasury activities, (arising usually from capital expenditure), and were separate from the day-to-day treasury management activities.

The treasury management activity in the report applied to Warwick District Council, in accordance with the statutory framework and local Treasury Management Strategy and Treasury Management Practices. The Treasury Management function enabled the Council to meet its vision, primarily through having suitably qualified and experienced staff deliver the service in accordance with the Council's Treasury Management Practices and the national framework that local government operated.

The Council was also required to approve a Minimum Revenue Provision Policy Statement before each financial year.

These recommendations would enable the Council to operate within the known budgetary framework to be set for 2022/23 but if the Prudential Indicators needed to be adjusted during the year, a further report would need to be brought to Council for approval.

In terms of alternative options, the report set out the capital spending and borrowing requirements for the financial year 2022/23 within the Prudential Indicators (PIs). The Council could increase or decrease these limits, provided that these PIs were within the envelope of what was affordable and prudent, taking account of interest costs and the Minimum Revenue Provision ("depreciation") requirements.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and thanked officers for all their hard work, especially that the work was carried out so quickly and timely for the disinvestment from the two equity funds. Members noted that the timing of disposals had saved taxpayers money, alongside meeting the Council's objectives of not investing in fossil fuel.

Councillor Hales also thanked the Finance officers and then proposed the report as laid out.

Recommended to Council that

- (1) the Treasury Management Strategy for 2022/23 contained in Appendix A to the minutes, be approved;

- (2) the deferral of the new reporting requirements of the updated Prudential Code for Capital Finance in Local Authorities until the statutory deadline of 2023/24, be approved;
- (3) the 2022/23 Annual Investment Strategy as contained in Appendix B to the minutes, be approved;
- (4) the Minimum Revenue Provision Policy Statement as contained in Appendix C to the minutes, be approved; and
- (5) the Prudential Indicators as outlined in Appendix D to the report, including the amount of long-term borrowing required for planned capital expenditure, be approved.

(The Portfolio Holder for this item was Councillor Hales)
Forward Plan Reference 1,266

(The meeting ended at 6.45pm)

CHAIRMAN

20 April 2022

Treasury Management Strategy for 2022/23

The strategy for 2022/23 covers two main areas:

A. Capital issues

- the capital expenditure plans and the associated prudential indicators – capital expenditure plans form part of the General Fund Budget report and the prudential indicators are included in Appendix D.
- the minimum revenue provision (MRP) policy – see Appendix C. The DLUHC have recently released consultation covering proposed changes to Regulation 28, which could impact the current MRP policy. Please note that this will not be in force until 1 April 2023 and there are no changes required to the policy for 2022/23 financial year.

B. Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council (Appendix D)
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy (Appendix B)
- creditworthiness policy (Appendix B, section 3)
- training
- benchmarking
- performance and
- the policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG (DLUHC) MRP Guidance, the CIPFA Treasury Management Code and MHCLG (DLUHC) Investment Guidance.

1 Training

- 1.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Following the May 2019 Council elections, Link Group (Link) delivered training to Members of the Finance and Audit Scrutiny Committee and other interested Members in November 2019, with a joint Stratford / Warwick webinar event on 25 January 2022. Further training will be provided as and when required.
- 1.2 Officers involved in treasury management have received training from the Council's treasury consultants, CIPFA and other providers, as well as from a previous post holder. This knowledge will be kept up to date by regular

attendance at seminars held by our consultants and other sources, such as CIPFA publications and market intelligence.

2 External service providers

- 2.1 The Council uses Link Group, Treasury Solutions ('Link') as its external treasury management advisor. The option to extend the contract with Link by one year was recently exercised, taking the current agreement to January 2023, bringing the contract to the closest date to Stratford District Council's arrangement with Link.
- 2.2 The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed on the services of external service providers. All decisions will be undertaken with regards to all available information, including but not solely our treasury advisers.
- 2.3 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.
- 2.4 Banking services are provided by HSBC Bank Plc, with the current agreement running until February 2025.

3 Benchmarking

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

4 Performance

- 4.1 Performance of the treasury function is reported twice yearly to the Finance and Audit Scrutiny Committee.
- 4.2 The Treasury Management Team will seek to achieve a return on its money market investments of 0.0625% over the Sterling Overnight Index Average¹ (SONIA) - previously the London Interbank Bid Rate (LIBID) - of a similar duration. As SONIA is higher than LIBID, the expected outperformance of this benchmark will be lower than previously.

5 Prospects for interest Rates

- 5.1 Link assists the Council to formulate a view on interest rates. Further information is contained in Appendix F.

¹ SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors

5.2 The following table gives Link's central view as at 7 February 2022.

Link Group Interest Rate View 7.2.22													
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

- 5.3 The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to first 0.25%, and then to 0.10%, it raised Bank Rate back to 0.25% at its meeting on 16 December 2021, surprising markets who expected no changes due to the threat of Omicron. The Rate increased to 0.5% on 3 February 2022.
- 5.4 Link now expects the MPC to deliver another 0.25% increase in March; their position appears to be to go for sharp increases to get the job done and dusted.
- 5.5 The March increase is likely to be followed by an increase to 1.0% in May and then to 1.25% in November. The MPC is currently much more heavily focused on combating inflation than on protecting economic growth.
- 5.6 However, 54% energy cap cost increases from April, together with 1.25% extra employee national insurance, food inflation around 5% and council tax likely to rise in the region of 5% too – these increases are going to hit lower income families hard despite some limited assistance from the Chancellor to postpone the full impact of rising energy costs.
- 5.7 Consumers are estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above increases. But most of those holdings are held by more affluent people whereas poorer people already spend nearly all their income before these increases hit and have few financial reserves.
- 5.8 The increases are already highly disinflationary; inflation will also be on a gradual path down after April so that raises a question as to whether the MPC may shift into protecting economic growth by November, i.e., it is more debatable as to whether they will deliver another increase then.
- 5.9 The big issue is will the current spike in inflation lead to a second-round effect in terms of labour demanding higher wages, (and/or lots of people getting higher wages by changing job)?
- 5.10 If the labour market remains very tight during 2022, then wage inflation poses a greater threat to overall inflation being higher for longer, and the MPC may then feel it needs to take more action.

- 5.11 **Bond yields / PWLB rates.** The yield curve has flattened out considerably.
- 5.12 Link view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate.
- 5.13 It is difficult to say currently what effect the Bank of England starting to sell gilts will have on gilt yields once Bank Rate rises to 1%: it is likely to act cautiously as it has already started on not refinancing maturing debt. A passive process of not refinancing maturing debt could begin in March when the 4% 2022 gilt matures; the Bank owns £25bn of this issuance. A pure roll-off of the £875bn gilt portfolio by not refinancing bonds as they mature, would see the holdings fall to about £415bn by 2031, which would be about equal to the Bank's pre-pandemic holding. Last August, the Bank said it would not actively sell gilts until the "Bank Rate had risen to at least 1%" and, "depending on economic circumstances at the time."
- 5.14 It is possible that Bank Rate will not rise above 1% as the MPC could shift to relying on quantitative tightening (QT) to do the further work of taking steam out of the economy and reducing inflationary pressures.
- 5.15 Increases in US treasury yields over the next few years could add upside pressure on gilt yields though, more recently, gilts have been much more correlated to movements in bund yields than treasury yields.
- 5.16 The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more 'risky' assets i.e., equities, or the safe haven of government bonds. The overall longer-run trend is for gilt yields and PWLB rates to rise moderately.
- 5.17 There is likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates due to the following factors:
- How strongly will changes in gilt yields be correlated to changes in US treasury yields?
 - Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
 - Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
 - How strong and enduring will inflationary pressures turn out to be in both the US and the UK, and so impact treasury and gilt yields?
 - Will the major western central banks implement their previously stated new average or sustainable level inflation monetary policies when inflation has now burst through all previous forecasts and far exceeded their target levels? Or are they going to effectively revert to their previous approach of prioritising focusing on pushing inflation back down and accepting that economic growth will be very much a secondary priority - until inflation is back down to target levels or below?

- How well will central banks manage the running down of their stock of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the 'taper tantrums' in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

5.18 Link forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within their forecasting period, despite the major challenges that are looming up, and that there are no major ruptures in international relations, especially between the US and Russia / China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

5.19 Their target borrowing rates and the current PWLB (certainty) borrowing rates are set out below:

PWLB debt	Current borrowing rate as at 7.2.22 p.m.	Target borrowing rate now (end of Q1 2022)	Target borrowing rate previous (end of Q1 2022)
5 year	2.12%	2.20%	1.50%
10 year	2.24%	2.30%	1.70%
25 year	2.38%	2.40%	1.90%
50 year	2.06%	2.20%	1.70%

5.20 **Borrowing advice:** Link's long-term (beyond 10 years) forecast for Bank Rate is 2.00%. As nearly all PWLB certainty rates are now above this level, the borrowing strategy will need to be kept under review, especially as the maturity curve has flattened out considerably. Better value can be obtained at the very short and at the longer end of the curve and longer-term rates are still at historically low levels. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.

5.21 The suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next six years are as follows:

Average earnings in each year	Now	Previously
2022/23	1.00%	0.50%
2023/24	1.25%	0.75%
2024/25	1.25%	1.00%
2025/26	1.25%	1.25%
Years 6 to 10	1.50%	-
Years 10+	2.00%	2.00%

- 5.22 The long-term later years forecast in the table above is an indicator for 10 years.
- 5.23 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for a trend of gently rising gilt yields is unchanged. Negative, (or positive) developments could significantly impact safe haven flows of investor money into UK, US and German bonds and produce shorter-term movements away from these central forecasts.
- 5.24 Link's interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of plus or minus 25 bps.
- 5.25 The Council will continue to monitor events and will update its forecasts as and when appropriate, utilising advice from Link and other market commentators.

6 Investment and borrowing rates

- 6.1 **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- 6.2 **Borrowing interest rates** fell to historically very low rates because of the COVID crisis and the quantitative easing operations of the Bank of England and remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities, including Warwick, well over the last few years, saving on borrowing costs.
- 6.3 On 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had **purchase of assets for yield** in its three-year capital programme. The current margins over gilt yields are as follows:
- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)²
- 6.4 **Borrowing for capital expenditure.** As outlined in paragraph 5.20, Link's long-term (beyond 10 years) forecast for Bank Rate is 2.00%. As most PWLB certainty rates are above this level, better value can be obtained at the very short and at the longer end of the curve, and longer-term rates are still at historically low levels. Temporary borrowing rates are likely, however, to

² 3rd Round ran from 11th April to 11th July 2020 so closed until HM Treasury announces a 4th Round

remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio.

- 6.5 While this authority will not be able to avoid borrowing to finance new capital expenditure and the rundown of reserves, there will be a 'cost of carry', (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

7 Borrowing Strategy

- 7.1 The capital expenditure plans set out in Section 4 of Appendix D provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the annual investment strategy.
- 7.2 The Council's current long-term borrowing portfolio consists of £136.157 million HRA and £62 million General Fund PWLB debt.
- 7.3 The original General Fund £12 million was borrowed in September 2019, for repayment at maturity on 28 August 2059, with the interest borne by the General Fund, largely covering unfinanced capital expenditure in 2017/18 and 2018/19 (primarily relating to the Leamington and Warwick Leisure Centres).
- 7.4 A further £50 million was borrowed by the General Fund in August 2021 for a housing joint venture, with a further £10 million payable under this agreement in April 2022. These £60 million of loans will be made up of six smaller amounts, with terms between 1½ and 5½ years, and the PWLB loans and the joint venture loans are coterminous.
- 7.5 The HRA loans were taken out in 2012 to finance the HRA Self Financing settlement, and the interest paid on this debt is entirely borne by the HRA and is provided for as part of the HRA Business Plan. The first of these loans is scheduled to be repaid on 28 March 2053 with the final loan being repaid on 28 March 2062. As part of reviewing the HRA Business Plan in December 2020, the Cabinet agreed that the Business Plan should allow for this debt to be replaced, so maintaining the overall level of debt and so give additional funds to invest in the housing stock. The current HRA Business Plan from December 2021 includes new PWLB borrowing, which has been factored into this report. and the Capital Financing Requirement (or CFR, the capital borrowing need) and other Performance Indicators.
- 7.6 The Council has no short-term borrowing other than residual finance leases. An assessment will be made of 'embedded leases' within the Council's contracts as at 31 March 2022 for IFRS 16 reporting purposes.

- 7.7 The Council has been maintaining an under-borrowed position, which means that the CFR has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure, i.e., borrowing has been deferred. This strategy has been prudent while investment returns remain low and counterparty risk is still an issue that needs to be considered.
- 7.8 The borrowing undertaken for the housing joint venture does not change the under-borrowed position of previous financial years. The position is not sustainable in the longer-term as (a) the Council will eventually need to replenish the cash backing the Reserves and Balances to pay for future developments, and (b) the upside risk of PWLB and other borrowing rates because of economic factors make it prudent to consider 'externalising' more of the internal borrowing by taking PWLB loans during 2022/23.
- 7.9 Additionally, there remain several potentially very large housing-related and other capital schemes that would significantly deplete or extinguish investment balances unless considerable external borrowing in 2022/23 or 2023/24 and beyond is undertaken. Please see Appendix D, Tables 4 and 5, for details of proposed capital expenditure and financing, including the borrowing requirement. **Approval of these within the borrowing limits does not commit the Council to progressing with these schemes.**
- 7.10 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 7.11 If it was forecast that there was a significant risk of:
- a sharp FALL in borrowing rates, then borrowing will be postponed for as long as practical;
 - a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised.
- Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

7.12 Approved sources of long and short-term borrowing

On Balance Sheet	Fixed	Variable
Public Works Loan Board (PWLB)	✓	✓
Municipal Bond Agency (MBA)	✓	✓
Local authorities	✓	✓
Banks	✓	✓
Pension funds	✓	✓
Insurance companies	✓	✓
Market (long-term)	✓	✓
Market (temporary)	✓	✓
Market (LOBOs)	✓	✓
Stock issues	✓	✓
Local temporary	✓	✓
Local bonds	✓	X
Local authority bills	✓	✓
Overdraft	X	✓
Negotiable bonds	✓	✓
Internal (capital receipts & revenue balances)	✓	✓
Commercial paper	✓	X
Medium term notes	✓	X
Finance leases	✓	✓

7.13 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a 'cost of carry' or to achieve refinancing certainty over the next few years).

7.14 The degree which any of these options proves cheaper than PWLB Certainty Rate may vary but the Council's advisors will keep the Council informed as to the relative merits of each of these alternative funding sources. Financial institutions and the Municipal Bond Agency (MBA) are likely to have significantly more complex administration and legal arrangements than PWLB loans, even though those arrangements have become more demanding in the last year or two.

7.15 The Council will use short-term borrowing (up to 365 days), if necessary, to finance temporary cash deficits. However, proactive cash flow management will aim to keep these to a minimum and, wherever possible, the loan would be taken out for periods of less than 7 days to minimise the interest payable. The Council has not incurred any short-term borrowing (other than minimal bank overdrafts) in 2021/22 to date and is not expecting to during 2022/23.

7.16 Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

8 Policy on borrowing in advance of need

- 8.1 The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 8.2 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

9 Current treasury position

- 9.1 The investments at 31 December 2021 are summarised below:

Type of Investment	31 Dec 21 £'000	30 Sep 21 £'000	31 Mar 21 £'000
Money Markets incl. CD's & Bonds	39,921	31,592	33,000
Money Market Funds	42,305	34,195	12,334
Business Reserve Account	6,075	5,000	2,003
Total In House Investments	88,301	70,787	47,337
Corporate Equity Funds (nominal value)	-	-	6,000
Total Investments	88,301	70,787	53,337

- 9.2 The corresponding borrowing position is summarised below:


External Borrowing	31 Dec 21 £'000	30 Sep 21 £'000	31 Mar 21 £'000
Public Works Loan Board	198,157	198,157	148,157
Total	198,157	198,157	148,157

10 Debt rescheduling

- 10.1 Rescheduling of borrowing in the Council's debt portfolio will remain uneconomic within current interest rates, given the high premia the PWLB would charge, reflecting the very large difference between premature redemption rates and new borrowing rates.
- 10.2 The Council's treasury advisors will continue to monitor the debt portfolio and identify any opportunities for debt restructuring but there would need to be a significant increase in interest rates for this occur.
- 10.3 If rescheduling was done, it would be reported to the Finance and Audit Scrutiny Committee at the earliest meeting following its action.

Annual Treasury Management Investment Strategy

1 Investment policy – management of risk

- 1.1 The Department of Levelling Up, Housing and Communities (DLUHC) – formerly the MHCLG³) - and CIPFA⁴ have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 1.2 The Council’s investment policy has regard to the following:
- DLUHC’s Guidance on Local Government Investments (“the Guidance”),
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”),
 - CIPFA Treasury Management Guidance Notes 2018,
 - Any revised reporting requirements included in the revised editions of Treasury Management Code and Prudential Code (Dec 2021) will be incorporated into the 2023/24 reports approved by Full Council
 - The Council will have regard to the revised Treasury Management Code and Prudential Code (December 2021) and comply with new framework requirements ahead of formal adoption of reporting requirements from 1 April 2023.
- 1.3 The Council’s investment priorities, using the established ‘SLY’ principles in decreasing importance, are:
1. **Security,**
 2. **Liquidity and**
 3. **Yield return.**
- 
- 1.4 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range fund options
- 1.5 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 1.5.1. Minimum acceptable **credit criteria** are applied to generate a list of

³ Ministry of Housing, Communities & Local Government

⁴ Chartered Institute of Public Finance & Accountancy

highly creditworthy counterparties. This also enables diversification and avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

- 1.5.2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as '**credit default swaps**' and overlay that information on top of the credit ratings.
- 1.5.3. **Other information sources** used will include the financial press, share price and other such information relating to the financial sector to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 1.5.4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use under the categories of 'specified' and 'non-specified' investments:
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods more than one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e., an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.
- 1.5.5. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 70% of the total investment portfolio.
- 1.5.6. **Lending limits** (amounts and maturity) for each counterparty will be set through applying the matrix table in Appendix B Annex 2.
- 1.5.7. **Transaction limits** are not set for each type of investment, being subject to the overall lending limit in 1.4.7 above.
- 1.5.8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**. (70% - see paragraph 3.11 below).
- 1.5.9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (Appendix B Annex 2).
- 1.5.10. This authority has engaged **external consultants**, (Appendix A section 2), to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of this authority in the context of the expected level of cash balances and

need for liquidity throughout the year.

1.5.11. All investments will be denominated in **sterling**.

1.5.12. As a result of the change in **accounting standards** for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund⁵. This override applied to the Council's recently disposed equity funds and will be a factor in the appropriateness of Environmental Social & Governance (ESG) equity funds after 2022/23.

1.6 However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

2. Changes in risk management policy from last year

2.1 The above criteria are unchanged from last year, save for any reference to commercial investments, which are no longer permitted, and have been removed. 'Service investments' are a new nomenclature introduced for non-treasury investments where the primary objective is service delivery, such as for the provision of housing or economic development.

3. Creditworthiness policy

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

- 'watches' and 'outlooks' from credit rating agencies
- Credit Default Swap (CDS) spreads that may give early warning of changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries.

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

3.3 Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other

⁵ In November 2018, the MHCLG] concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018

topical market information, to support their use.

- 3.4 All credit ratings will be monitored weekly and will inform every investment decision. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service:
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings the Council will be advised of information in movements in CDS spreads against the iTraxx European Financials benchmark and other market data daily via its *Passport* website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 3.5 Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.
- 3.6 All investments in property, corporate bond and corporate equity funds will be supported by the advice of Link, the Council's treasury advisors. Where the Council makes Service Investments, these sit outside the service provided by Link and separate risk assessments will be completed (refer to [Section 4](#) below of this report).
- 3.7 The Council will ensure that it maintains the lists of permitted investments and counterparty limits (Annexes 1 and 2) and will revise and submit the criteria to Council for approval when required. In respect of counterparty limits, the Council's investment balances have increased in recent years mainly due to increasing Housing Revenue Account (HRA) balances that are projected to be utilised in the medium term.
- 3.8 To provide flexibility and to continue to be able to invest in the highest quality counterparties it is proposed to keep the counterparty limits for certain institutions as follows:

Institution Type	Limit
A rated private banks	£5m
A+ rated private banks	£7m
AA rated private banks	£8m
Government Debt CNAV MMFs⁶	£10m
LVNAV MMFs⁷	£10m

- 3.9 The Council has both cash flow derived and core balances available for

⁶ Constant Net Asset Value Money Market Funds

⁷ Low-Volatility Net Asset Value Money Market Funds

investment. Investment decisions will be made with regard to cash flow requirements, core cash balances and the outlook for short term interest rates.

- 3.10 The Council will continue to use Money Market Funds (MMFs), call bank accounts and the money markets to invest cash flow driven money until the time when it is required. Core investments may be invested in a combination of ESG corporate equity funds and the financial markets.
- 3.11 The Council had two corporate equity fund managers until September 2021. These specific equity funds had around 5% exposure to investing in companies extracting fossil fuels⁸ and the recommendation is to divest from these funds by the end of 2025 as part of the Council's Climate Emergency Declaration. One option would be to re-invest the £6 million in ESG equity funds. Any new fund manager appointments would be made in conjunction with the treasury advisers and in adherence with the Council's procurement rules. Re-procuring to invest these funds would incur an additional cost, as well as taking officer and member time, and it should be noted that the regulatory framework for evaluating ESG investments for risk has yet to be agreed, so it is recommended that any decision on this is deferred until the market is 'more mature' and the national risk reporting framework has been agreed.
- 3.12 Based on its cash flow forecasts (subject to any 'internal borrowing' pending borrowing for new capital expenditure, including service investment), the Council anticipates that its investments in 2022/23 on average will be in the region of £66m, of which £28m will be "core" investments i.e. made up of reserves and balances which are not required in the short term.
- 3.13 The maximum percentage of its investments that the Council will hold in long-term investments (over 365 days) is 70%. It follows therefore that the minimum percentage of its overall investments that the Council will hold in short term investments (365 days or less) is 30%, with the expectation that this will be most investments in practice. Having regard to the Council's likely cash flows and levels of funds available for investment the amount available for long-term investment will be a maximum of 70% of the core investment portfolio subject to a total of £30 million at any one time in line with the Prudential Indicator covering this issue. These limits will apply jointly to the in-house team and any fund managers so that the overall ceilings of 70% and £30 million are not breached.
- 3.14 After the Bank of England's December 2021 decision to raise the Base Rate by 0.15% to 0.25%, and by a further 0.25% to 0.50% in February 2022, the 2022/23 interest rate outlook is for Base Rate to increase again and start the year at 0.75%. Link expect it to increase by June 2022 to 1.00% and increase again by March 2023 to 1.25%, remaining at that rate until March 2025. Based on current investment policies and interest rate projections at budget setting, it is currently estimated that the overall portfolio will achieve a 0.32% return for 2021/22, augmented by the dividends from the equity funds, increasing to 0.39% for 2022/23 before the more recent movements in Base Rate.

⁸ Oil and gas

4. Investments that are not part of treasury management activity

- 4.1 Where, in addition to treasury management investment activity, the Council makes service investments in other financial assets and property, and there may be a financial return that is not the primary driver (to avoid the Council being excluded from taking PWLB borrowing), these investments will be proportional to the level of resources available, and the Council will ensure the same robust procedures for the consideration of risk and return are applied to these decisions.
- 4.2 The Council recognises that investment in other financial assets e.g., loans to third parties and property, may be taken for non-treasury management purposes, requiring careful investment management. Such activity includes loans supporting service outcomes, such as housing provision or economic regeneration.
- 4.3 The Council's framework to consider such non treasury management investments would be reflected within the *Capital Strategy*, referred to in this report. All such investment proposals will be considered on their own merits and in accordance with the Council's risk appetite, and have regard to treasury management principles.
- 4.4 The Council will ensure the organisation's investments are covered in the capital programme, investment strategy or equivalent, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

Schedule of specified and non-specified investments

Specified Instruments (365 days or less)

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

Non-Specified Investments

- Deposits with unrated building societies
- Deposits with banks and building societies greater than 365 days
- Deposits with UK Local Authorities greater than 365 days
- Certificates of deposits issued by banks and building societies greater than 365 days
- Corporate Bonds issued by private sector financial institutions greater than 365 days
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 365 days
- Corporate Bonds issued by corporates greater than 365 days

- Covered Bonds issued by private sector financial institutions greater than 365 days
- Covered Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 365 days
- Covered Bonds issued by corporates greater than 365 days
- Corporate Bond Funds
- Regulated Property Funds including Real Estate Investment Trusts
- CCLA Property Fund or other similar property fund
- Diversified asset funds (e.g., CCLA DIF)
- UK Government Gilts with over 365 days to maturity
- Supranational Bonds issued by Supranational Institutions or Multi-Lateral Development with over 365 days to maturity
- Corporate Equity Funds (ESG, with no fossil fuel exposure)

Counterparty Limits

Investment / counterparty type:	S/term	L/term	Viability / support	# Sovereign country min. credit rating	Max limit per counterparty	Max. maturity period	Use	Notes ref
Specified instruments: <i>(repayable within 12 months)</i>	(FITCH or equivalent)							
DMADF	n/a			AA-	£12m	365 days	In house & EFM*	
UK Govt. / local authorities / public corporations / nationalised industries	n/a		High		£10m	365 days	In house & EFM*	11
Bank - part nationalised UK	F1	A		AA-	£9m	365 days	In house & EFM*	1 & 2
Bank - private (includes fixed term deposits, CDs and category 1 FRNs & bonds)	F1	A		AA-	£5m	365 days	In house & EFM*	1 & 2
	F1	A+		AA-	£7m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£8m	365 days	In house & EFM*	1 & 2
Other private sector financial institutions (includes category 1 FRNs & bonds)	F1	A		AA-	£4m	365 days	In house & EFM*	1 & 2
	F1	A+		AA-	£6m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£7m	365 days	In house & EFM*	1 & 2
Corporates (category 3 FRNs & bonds)	F1	A		AA-	£4m	365 days	In house & EFM*	1 & 2
	F1	A+		AA-	£5m	365 days	In house & EFM*	1 & 2
	F1	AA- & above		AA-	£6m	365 days	In house & EFM*	1 & 2
Bank subsidiaries of UK banks	Unrated			Explicit Parent Guarantee	£5m	3 months	In house & EFM*	1 & 3
Money Market Fund (CNAV)	AAA-m / Aaa-mf/AAAmmf				£10m	liquid	In house & EFM*	
Money Market Fund (LVNAV)	AAA-m / Aaa-mf/AAAmmf				£10m	liquid	In house & EFM*	
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/ AAA/V1				£6m	liquid	In house & EFM*	4
Building societies - category A	F1	A		AA-	£4m	365 days	In house & EFM*	1a.
Building societies - category B	F1			AA-	£2m	365 days	In house & EFM*	1a.
Corporate bonds - category 2		A			£9m	365 days	In house & EFM*	5
Covered bonds - category 2		A			£9m	365 days	In house & EFM*	12
Bonds - supranational / multi-lateral development banks	AAA / Govt Guarantee				£5m	365 days	In house & EFM*	
Floating Rate Notes (FRN) - category 2	A				£9m	365 days	In house & EFM*	6
Eligible bank bills	n/a			Determined by EFM	£5m	365 days	EFM*	
Sterling securities guaranteed by HM Government	n/a			AA-	9m	not defined	EFM*	

Investment / counterparty type:	S/term	L/term	Viability / support	# Sovereign country min. credit rating	Max limit per counterparty	Max. maturity period	Use	Notes ref
Non-specified instruments:	(FITCH or equivalent)							
Building societies - assets > £500m	unrated category C				£1m	3 months	In house	1b & 9
Bank - part nationalised UK > 1 year	F1	A		AA-	£9m	2 years	In house + advice & EFM*	1b, 2, & 10
Bank - private (includes fixed term deposits, CDs and category 1 FRNs & bonds)	F1	A		AA-	£5m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£7m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£8m	2 years	In house + advice & EFM*	1b, 2, & 10
Other private sector financial institutions (includes category 1 FRN's & Bonds)	F1	A		AA-	£4m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£6m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£7m	2 years	In house + advice & EFM*	1b, 2, & 10
Corporates (category 3 FRN'S, Bonds)	F1	A		AA-	£4m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	A+		AA-	£5m	2 years	In house + advice & EFM*	1b, 2, & 10
	F1	AA- & above		AA-	£6m	2 years	In house + advice & EFM*	1b, 2, & 10
Building societies - > 1 year	F1	A		AA-	£1m	2 years	In house + advice & EFM*	1b & 10
Local authorities > 1 year	n/a		High		£9m	5 years	In house + advice	10
Corporate bonds - category 2 > 1 year		A			£9m	2 years	In house & EFM*	5 & 10
Covered bonds - category 2 > 1 year		A			£9m	2 years	In house & EFM*	10 & 12
Corporate Equity Funds - low risk		N/A		See note 13	£4m	10 years	EFM*	13 & 14
Corporate Equity Funds - medium risk		N/A		See note 13	£2m	10 years	EFM*	13 & 14
Corporate Bond Funds		BBB			£5m	10 years	In house + advice & EFM*	10
Pooled property fund eg: REITS				Authorised FS&MA	£5m	10 years	In house + advice	10
CCLA property funds	n/a			see note 8	£5m	10 years	In house + advice	7 & 10
Day to day balances	n/a				n/a	n/a	In house	8

Notes:	
*	EFM = External Fund Manager
#	Minimum sovereign rating does not apply to UK domiciled counterparties
	All maximum maturity periods include any forward deal period
1.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos, except where the repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £3m with a maximum in repos of £3m
1a.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos, except where the repo collateral is more highly credit rated than the counterparty in which case the counterparty limit is increased by £2m with a maximum in repos of £2m
1b.	Includes business call reserve accounts, special tranches & any other form of investment with that institution e.g. certificate of deposits, corporate bonds and repos
2.	Counterparty limit is also the group limit where investments are with different but related institutions
3.	Unrated but with explicit guarantee by parent + parent meets minimum ratings of short-term F1, long-term A. Subject to group limit relating to parent bank e.g. £5m if private of £9m if part or wholly nationalised
4.	Subject to overall group limit of £6m
5.	Corporate bonds must be senior unsecured and above. Category types: Category 1: Issued by private sector financial institutions Category 2: Issued by financial institutions wholly owned or part owned by the UK Government Category 3: Issued by corporates
6.	Floating rate notes - categories as per note 5 above
7.	Security of trustee of fund (LAMIT) controlled by LGA, COSLA who appoint the members and officers of LAMIT
8.	Minimum exposure to credit risk as overnight balances only
9.	Group limit of £8m
10.	£15m overall limit for corporate bond / equity / property funds & £20m limit for all counterparties
11.	UK Government includes gilt edged securities and Treasury bills
12.	Covered bonds category types: Category 1: Issued by private sector financial institutions Category 2: Issued by financial institutions wholly owned or part owned by the UK Government Category 3: Issued by corporates
13.	Risk determined as follows: Low - UK equity income funds Medium - UK capital growth funds
14.	Maximum investment limit subject to 10% capital growth, i.e. maximum is 110% of original investment

Approved Countries for Investments

This list, as at 21 December 2021, is based on those countries which have sovereign ratings of AA- or higher, based on the lowest rating from Fitch, Moodys and S&P.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Minimum Revenue Provision (MRP) Policy Statement

1 Background

- 1.1 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement, CFR) through a revenue charge (the Minimum Revenue Provision, MRP), although it is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP). The MRP is equivalent to 'depreciation' in other sectors.
- 1.2 MHCLG (DLUHC) guidance requires the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following **MRP Statement**.
- 1.3 The *Statutory Guidance on Minimum Revenue Provision*⁹ offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

2 Four Main Options

2.1 Option 1 – Regulatory Method

This option is the old statutory method of 4% of the CFR and which has to be used in order to calculate MRP on all debt still outstanding at 1 April 2008¹⁰. It can also be used to calculate MRP on debt incurred under the new system, but which is supported through the annual SCE (Supported Capital Expenditure) allocation from DCLG (now DLUHC).

2.2 Option 2 – Capital Financing Requirement Method

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

2.3 Option 3 – Asset Life Method

Under this option, it is intended that MRP should be spread over the useful life of the asset financed by the borrowing or credit arrangement. In future, where borrowing is utilised to finance specific assets it is likely that the period of the loan will match the expected life of the asset and therefore, under this method the annual charge to the Council's accounts is directly related to building up the

⁹ Guidance issued by the Secretary of State under section 21(1A) of the *Local Government Act 2003*. Fourth edition applies to periods commencing 1 April 2019.

¹⁰ The Council had no debt at this date

provision required to pay off the loan when it matures which, under Options 1 and 2, is not possible.

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

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

2.4 Option 4 – Depreciation Method

This is a variation on option 3 using the method of depreciation attached to the asset e.g., straight line where depreciation is charged in equal instalments over the estimated life and the reducing balance method where depreciation is greater in the early years of an assets life and which is most appropriate for short lived assets e.g., vehicles. In this Council's case assets are depreciated using the straight-line method and so option 4 is not materially different from option 3.

3 HRA

- 3.1 There is no requirement on the HRA to make a MRP but there is a requirement for a charge for depreciation to be made.
- 3.2 Under the Self Financing regime, the HRA Business Plan has to provide resources for the repayment of the £136.157m borrowed from the PWLB on the 28 March 2012. Repayment of this debt is currently provided for commencing in year 41 (2052/53) and continuing through to year 50 year of the Business Plan.
- 3.3 The HRA will apply the same principle to new borrowing undertaken for capital investment.

4 Voluntary Revenue Provision (VRP)

- 4.1 MHCLG (DLUHC) issued revised MRP guidance in 2018 concerning Voluntary Revenue Provision. In future any VRP or overpayment of MRP, which has been disclosed in previous years' MRP statement, can be reclaimed and credited back to the General Fund in certain circumstances. An example would be a loan to a third party where during the duration of the loan MRP or VRP has been made but on full repayment of the loan the principal has been applied to pay down the Capital Financing Requirement. In this instance the VRP is no longer required and can be released back to the General Fund. The Council has instances of such loans but has elected to not make MRP or VRP on these as they are of relatively short duration and on repayment the principal repaid will be applied to pay down the Capital Financing Requirement.

5 Warwick District Council Policy

- 5.1 It is recommended that for any long-term borrowing on the General Fund e.g. leisure centre refurbishments, the following methods of Minimum Revenue Provision be adopted:
 - For borrowing specifically linked to a particular asset or capital scheme –

Option 3 based on the annuity method.

- For borrowing that cannot be linked to a particular asset or capital scheme – Option 3 based on the annuity method using the weighted average life of assets.

5.2 For any borrowing incurred through finance leases, the annual principal repayments in the lease are regarded as MRP.

5.3 Although not strictly part of MRP requirements, it is also recommended that for internal borrowing (i.e. capital expenditure financed from reserves), where appropriate, Option 3 based on the annuity method be adopted, in most cases, as a means of replenishing those reserves which financed the capital expenditure. In exceptional circumstances another method may be more appropriate.

5.4 For short to medium duration loans to third parties the Council will not make either MRP or VRP but instead apply the capital receipt received through the repayment of the loan to pay down the Capital Financing Requirement.

5.5 The Council may on occasion enter into agreement to undertake a scheme / capital payment whereby monies and resources (grants, capital receipts, S106 receipts, etc.) will be received some time after the scheme / capital payment has been completed. On such occasions whereby the capital expenditure is expected to be fully reimbursed by future capital or revenue income, no MRP will be provided. This position will be kept under review and should the likelihood of receipt of the income change, then MRP may be initiated. Such an example would be the granting of monies to an external organisation and S106 receipts are expected to pay for the capital liability.

Note: The use of paragraphs 5.4 and 5.5 will be subject to the outcome of Government consultation on MRP Regulation 28 and a full risk assessment would be undertaken, considering the latest information, before any capital investment is undertaken to which this MRP policy may apply, as discussed in the covering report.

Prudential and Treasury Indicators

Introduction

- 1.1. The Prudential Capital Finance system came into effect on 1 April 2004, replacing the previous system of approval allocations from central Government, allowing local authorities to decide how much they can prudently afford to borrow *and* pay back from revenue resources.
- 1.2. CIPFA developed the Prudential Code for Capital Finance in Local Authorities (the 'Prudential Code') to provide a mechanism to enable councils to ensure, that in line with the new freedom given, their capital investment plans are affordable, prudent, and sustainable. This Prudential Code was revised in December 2021, mainly to stop further borrowing for 'commercial' investment, which CIPFA and the Government believe is inappropriate for local government to pursue, given some recent high-profile cases.
- 1.3. It is the Council's responsibility to set its prudential indicators, having regard to its own set of circumstances. The Council must demonstrate that its capital investment proposals are:
 - affordable
 - prudent and
 - sustainable.
- 1.4. All Indicators must be included in the Council's annual Treasury Strategy and Outturn report. The reporting requirements for 2023/24 will be changing.
- 1.5. The Prudential and Treasury Indicators are divided into:
 - a) Prudential:
 - Affordability (section 2)
 - Prudence (section 3)
 - Capital Expenditure (sections 4 - 5)
 - External Debt (sections 6 - 7)
 - b) Treasury:
 - Treasury Indicators (section 8).
- 1.6. This Appendix explains what the Prudential and Treasury Indicators are as well as revising them for the current year, 2021/22, where appropriate and setting them for future years.

Affordability - Ratio of financing costs to net revenue stream

- 2.1. This ratio shows the trend in the cost of capital (borrowing and other long-term obligation costs, net of investment income) against the net revenue stream, i.e., taxation, rents, and non-specific grant income.
- 2.2. The higher the ratio, the higher the proportion of resources tied up just to service met capital costs, and which represent a potential affordability risk.

- 2.3. It sets an upper limit on the proportion of the Council's net revenue streams both for General Fund and Housing Revenue Account (HRA) that is committed to servicing debt.
- 2.4. The table below shows the actual for 2020/21 and the ratios proposed for the General Fund, HRA and Overall, as required by the Prudential Code. These figures exclude unapproved schemes, other than schemes subject to approval at the same Council meeting as this report.

Table 1

Year	General Fund	Housing Revenue Account	Overall
2020/21	-0.6%	40.3%	24.6%
2021/22	-2.00% to 5.00%	38.00% to 50.00%	23.00% to 33.00%
2022/23	0.00% to 20.00%	38.00% to 50.00%	24.00% to 37.50%
2023/24	0.00% to 30.00%	38.00% to 50.00%	24.00% to 40.00%
2024/25	0.00% to 26.00%	38.00% to 50.00%	24.00% to 40.00%

- 2.5. The ratio for estimates is a range rather than a single figure (except the 2020/21 actual), to allow for both the uncertain amount of borrowing that will take place for developments by the General Fund and HRA (such as the Housing Company and joint venture, which is a General Fund scheme), and the possible movements in long-term interest rates, as a relatively small variation from today's low level in borrowing costs could cause a ratio based on a precise percentage to be breached.
- 2.6. The significant size of the HRA ratio includes the HRA self-financing debt taken in 2012 and future borrowing included within the HRA Business Plan. If income increases at least much as the debt costs the ratio should not increase once the new rental properties are occupied – there will be a short-term cost during any acquisition and construction.
- 2.7. The General Fund ratio would increase for further borrowing to finance capital expenditure such as Housing Company loan, leisure centres and long-term loans to third parties.
- 2.8. The ratios will be monitored during the year and, if necessary, remedial action taken – such as Council increasing the limits - to avoid them being breached.

Prudence - Gross Debt and the Capital Financing Requirement

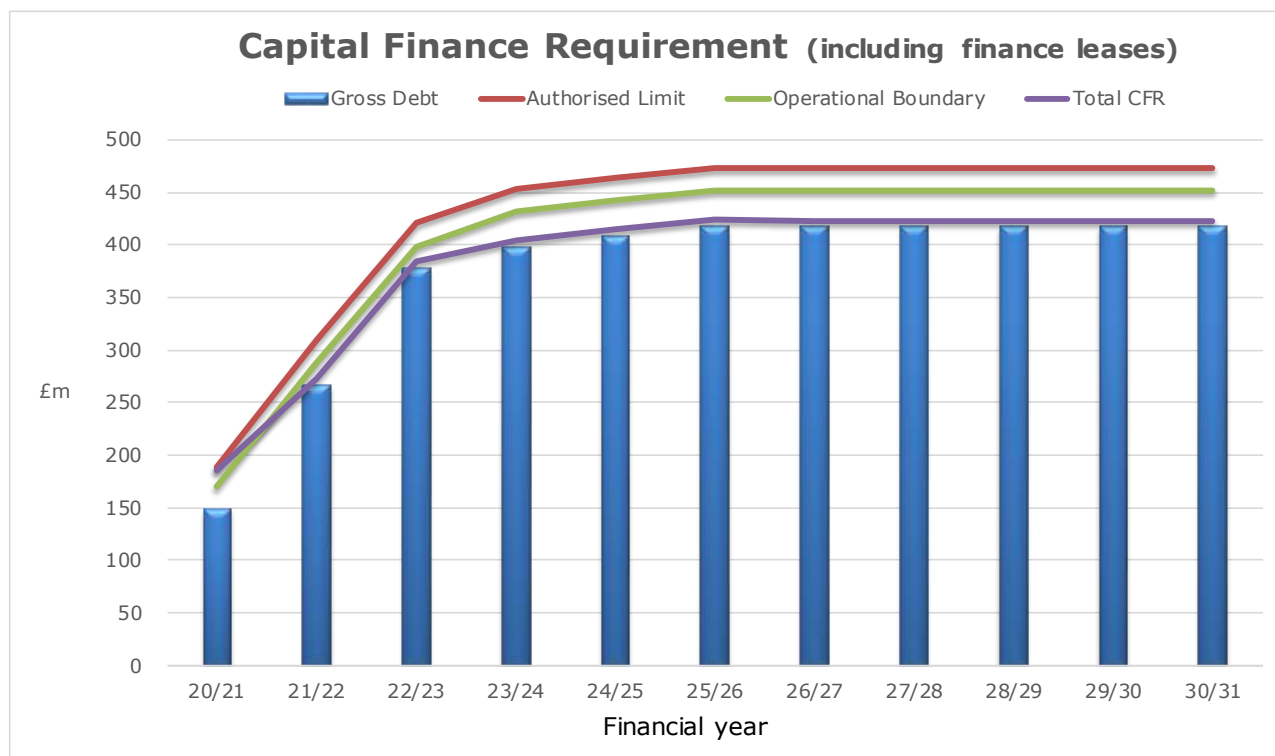
- 1.1 This indicator requires that gross debt, except in the short term, is to be kept below the Capital Financing Requirement (CFR) for the same period. This demonstrates that borrowing has not been taken in advance of need. It is estimated that gross external debt will be lower than the CFR in future years.
- 1.2 Table 2 shows the longer-term projections, compared with total debt and the Authorised Limit and Operational Boundary from sections 6 and 7 respectively:

Table 2

Capital Financing Requirement (including finance leases)											
£m	Actual 20/21	Est 21/22	Est 22/23	Est 23/24	Est 24/25	Est 25/26	Est 26/27	Est 27/28	Est 28/29	Est 29/30	Est 30/31
HRA CFR	161.2	194.5	203.6	212.6	221.6	230.7	230.7	230.7	230.7	230.7	230.7
GF CFR	18.3	22.5	56.5	69.7	69.0	68.3	68.3	68.3	68.3	68.3	68.3
Service activity / non-financial investments	5.6	55.6	124.3	122.7	124.9	124.8	124.6	124.5	124.5	124.5	124.5
Total CFR	185.0	272.7	384.3	405.0	415.6	423.8	423.6	423.5	423.5	423.5	423.5
External borrowing - HRA	136.2	194.5	203.6	212.6	221.6	230.7	230.7	230.7	230.7	230.7	230.7
External borrowing - GF	12.0	69.9	172.5	184.1	185.7	185.7	185.5	185.4	185.4	185.4	185.4
Other long term liabilities	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Gross Debt	148.2	265.4	377.0	397.7	408.3	417.3	417.2	417.1	417.1	417.1	417.1
Internal borrowing - HRA	25.0	-	-	-	-	-	-	-	-	-	-
Internal borrowing - GF	11.8	7.3	7.3	7.3	7.3	6.4	6.4	6.4	6.4	6.4	6.4
WDC internal borrowing	36.8	7.3	7.3	7.3	7.3	6.4	6.4	6.4	6.4	6.4	6.4
Authorised Limit	189.3	309.5	421.1	453.7	464.3	473.3	473.3	473.3	473.3	473.3	473.3
Operational Boundary	170.3	287.5	399.1	431.7	442.3	451.3	451.3	451.3	451.3	451.3	451.3

- 1.3 These figures are shown in graphical form, demonstrating that the CFR will be higher than gross debt:

Table 3



- 1.4 The value of gross debt excludes unapproved borrowing for housing developments (General Fund for Housing Company and Joint Venture; HRA for the Housing Improvement Programme, including new build schemes), other than HRA schemes being considered in the same Council meeting. Approval of these limits does not commit the Council to the underlying schemes but the borrowing for these does rely on the Council approving the schemes and the limits in *Table 3*.

Capital Expenditure

- 1.5 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.
- 1.6 The Council is required to publish its estimated capital expenditure for both the General Fund (GF) and Housing Revenue Account (HRA) for a minimum of the next three financial years, as well as the actual for the previous year and latest estimate for the current year.
- 1.7 By modelling various capital programme scenarios, including new HRA properties and commercial investment opportunities, this indicator provides the data for the ratio of financing costs to net revenue stream indicator.
- 1.8 Table 4 shows the Council's estimated capital expenditure on the General Fund and HRA for the next four years, both those agreed previously, and

those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Table 4

Capital expenditure	2020/21 Outturn £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
General Fund (non HIP)	11,275	17,515	55,905	14,760	374
Credit arrangements - finance leases	12	-	-	-	-
Housing Investment Programme:					
General Fund (HIP)	-	-	-	-	-
HRA	33,135	59,533	24,489	18,493	18,499
'Service investment' activities / non-financial investments*	350	50,100	68,725	3,000	2,375
Total (A)	44,772	127,148	149,119	36,253	21,248

* - loans to third parties

- 1.9 The main item in 'service investment' for 2021/22 is the £50 million joint venture funding outlined earlier. The equivalent figure for 2022/23 includes the final £10 million commitment for this joint venture, plus a speculative additional £50 million of a further joint venture and £8.625 million to finance Milverton Homes, with a further £3 million of this in 2023/24.

Capital Financing Requirement

- 1.10 The Capital Financing Requirement (CFR) is a key measure that shows the underlying need for an authority to borrow for capital purposes, i.e., the difference between the Council's capital expenditure and the revenue or capital resources set aside to finance that spend. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR. The Minimum Revenue Provision (MRP) is chargeable on the General Fund underlying borrowing.
- 1.11 The borrowing may be either external (such as from the PWLB) or internal borrowing (where an authority temporarily utilises cash backing its reserves and balances rather than taking external loans). External borrowing creates a cost to the Council in terms of having to pay interest on and provide for repayment of external loans while internal borrowing creates lost investment interest and an exposure to future interest rate increases when loans must be taken. The CFR provides the starting point for calculating this cost and the results feed into the ratio of financing costs to net revenue stream indicator.
- 1.12 The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

1.13 The CFR includes any other long-term liabilities (e.g., finance leases). Though these liabilities increase the CFR - and therefore, the Council's borrowing requirement - these types of scheme include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council had £12,100 of such schemes within the CFR at the end of 2020/21.

1.14 *Table 5* summarises how the capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need (i.e., an increase in the Capital Financing Requirement).

Table 5

Financing of capital expenditure	2020/21 Outturn £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
HRA:					
Capital receipts	420	6,270	1,288	500	500
Capital grants and contributions	-	6,397	2,909	-	-
Reserves	7,713	13,365	9,728	8,359	8,364
Revenue contributions	-	123	1,533	600	600
Total HRA	8,133	26,155	15,458	9,459	9,464
General Fund:					
Capital receipts	395	1,261	6,835	160	-
Capital grants and contributions	5,215	8,796	11,008	3,582	-
Reserves	1,815	2,200	3,434	1,427	294
Revenue contributions	422	659	155	80	80
Total GF	7,847	12,916	21,432	5,249	374
Combined:					
Capital receipts	815	7,531	8,123	660	500
Capital grants and contributions	5,215	15,193	13,917	3,582	-
Reserves	9,528	15,565	13,162	9,786	8,658
Revenue contributions	422	782	1,688	680	680
Subtotal (B)	15,980	39,071	36,890	14,708	9,838
Net borrowing need for the year (A – B)	28,792	88,077	112,229	21,545	11,410

1.15 The net financing need for service investment activities / non-financial investments included in *Table 5* against expenditure is shown in *Table 6*:

Table 6

'Service investment' activities / non-financial investments £'000	2020/21 Outturn	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital expenditure	350	50,100	68,725	3,000	2,375
Financing costs (incl MRP)	10	1,752	2,404	120	96
Net financing need for the year	360	51,852	71,129	3,120	2,471
Percentage of total net financing need %	1%	57%	61%	14%	21%

- 1.16 These figures are illustrative at this point and are subject to the Council's approval of the underlying capital expenditure.
- 1.17 The CFR increases where unfinanced capital expenditure takes place and reduces as the Council makes a Minimum Revenue Provision (MRP).
- 1.18 This Council has four CFRs:
- (a) the HRA
 - (b) the General Fund, which is further subdivided to show
 - (c) service investment activities / non-financial investments (which have, to date, been loans to third parties at commercial rates of interest and, from 2021/22, the housing joint venture), and
 - (d) combined total for the whole of the Council (the sum of a to c).
- 1.19 The estimated CFRs at the end of 2021/22 and each of the next four years are based on the Council's latest capital programme and exclude any unapproved service investment / non-financial activities and additional HRA borrowing for schemes that are subject to viability appraisals, and which would be subject to future Council reports and revised Prudential Indicators, where appropriate. The General Fund CFR also includes the impact of the internal borrowing incurred to date, as well as the internal and external borrowing factored into the current 5-year General Fund Capital Programme.
- 1.20 The Council is asked to approve the CFR projections in *Tables 7* and 8.

Table 7

Capital Financing Requirement	(a)	(b)	(c)	(d)
Year	HRA £'000	General Fund £'000	service investments / non financial investments £'000	Total £'000
2020/21	161,160	18,271	5,564	184,995
2021/22	194,539	22,546	55,644	272,729
2022/23	203,572	56,478	124,276	384,326
2023/24	212,606	69,739	122,691	405,036
2024/25	221,639	69,033	124,920	415,592
2025/26	230,672	68,321	124,764	423,757

Table 8

£m	2020/21 Outturn	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Financing Requirement						
CFR – non housing	18.3	22.5	56.5	69.7	69.0	68.3
CFR – housing	161.2	194.5	203.6	212.6	221.6	230.7
CFR - service and non-financial investment activities	5.6	55.6	124.3	122.7	124.9	124.8
Total CFR	185.0	272.7	384.3	405.0	415.6	423.8
Movement in CFR	-27.2	87.7	111.6	20.7	10.6	8.2
Service / non-treasury as % of Total CFR	3%	20%	32%	30%	30%	29%

Movement in CFR represented by						
Net financing need for the year ("A-B" above)	28.8	88.1	112.2	21.5	11.4	9.0
Less MRP/VRP and other financing movements	-56.0	-0.4	-0.6	-0.8	-0.8	-0.8
Movement in CFR	-27.2	87.7	111.6	20.7	10.6	8.2

- 1.21 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any 'non-financial activities' (noting that the Council does not enter 'for yield / commercial' activities) in relation to the authority's overall financial position. The capital expenditure figures shown in *Table 4* and the details above demonstrate the scope of this activity (up from 3% in 2020/21 to 20% in 2021/22 and 32% in 2022/23, mainly due to the housing joint venture) and, by approving these figures, Members consider the scale proportionate to the Authority's remaining activity.
- 1.22 The opening HRA CFR at 1 April 2021 was £161.159 million, being the HRA self-financing debt settlement of £136.157 million from 2012 plus new borrowing during 2020/21. At 31 March 2026 the HRA CFR is predicted to have increased to £230.672 million, while the non-housing element would be £68.321 million and the 'non-financial activities' would be £124.764 million, a total General Fund CFR of £193.085 million.

External Debt - Authorised Limit

- 1.23 The Council is required to set - for the forthcoming year and the following two financial years - an Authorised Limit for its total external debt, gross of investments, separately identifying borrowing from 'other long-term liabilities', the latter being credit arrangements, as defined in statute, and which include the principal element of finance leases (or Private Finance Initiative (PFI) if the Council had these contracts).
- 1.24 The Authorised Limit represents a control on the maximum level of external debt the Council can incur. The Council has no legal power to borrow more than the limits set.
- 1.25 The recommended Authorised Limit is as shown in *Table 9*:

Table 9

Authorised Limit	2020/21 Outturn £'000	2021/22 Latest £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Debt including HRA settlement	189,279	192,234	192,234	204,116	204,116	204,115
Other long-term liabilities	12	1,000	1,000	1,000	1,000	1,000
HRA HIP	-	58,382	67,415	76,448	85,481	94,515
General Fund HIP	-	-	-	-	-	-
Other General Fund capital programme	-	7,899	41,838	50,514	49,663	49,663
Service investment activities / non-financial investments	-	50,000	118,625	121,625	124,000	124,000
Total Authorised Limit	189,291	309,515	421,112	453,703	464,260	473,293

1.26 The Authorised Limit reflects a level of external debt that, although not preferred, could be afforded in the short-term but may not be sustainable in the longer-term. The Indicators for the Operational Boundary and Gross Debt & the CFR will both be set below the Authorised Limit.

1.27 The Authorised Limit takes account of the Housing Improvement Programme (HIP) and the General Fund capital programme. The figures for 'Service investment activities' are for amounts being considered by Council parallel to this report and would need to be excluded if not approved. It excludes additional HRA development and GF investment regeneration that would be expected to generate a net income stream – these are both subject to future Council decisions and could also require the Prudential Indicators to be formally amended.

1.28 It should be noted that the figures for each year are cumulative.

External Debt - Operational Boundary

1.29 The Council is, additionally, required to set an Operational Boundary for external debt, which is for three years and gross of investments.

1.30 The Operational Boundary - which is less than the Authorised Limit - is effectively the day-to-day working limit for cash flow purposes, the level that external debt is not ordinarily expected to exceed. This indicator includes anticipated additional borrowing to cater for forecast capital activity.

1.31 An occasional breach of the Operational Boundary is not a cause for concern (provide that the Authorised Limit is not breached) but a sustained breach could indicate that there are problems with the Council's cash flow. Therefore, this indicator is monitored throughout the year and remedial action taken if necessary.

1.32 The recommended Operational Boundaries are as shown in Table 10. It should be noted that the figures for each year are cumulative (for instance, the £118.6m shown in 2022/23 for service investment activities is the brought forward amount from 2021/22). They are based on the same assumptions outlined in paragraph 6.5 above.

Table 10

Operational Boundary	2020/21 Outturn £'000	2021/22 Latest £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'001	2025/26 Estimate £'002
Debt including HRA settlement	170,279	170,234	170,234	182,116	182,116	182,115
Other long-term liabilities	12	1,000	1,000	1,000	1,000	1,000
HRA HIP	-	58,382	67,415	76,448	85,481	94,515
General Fund HIP	-	-	-	-	-	-
Other General Fund capital programme	-	7,899	41,838	50,514	49,663	49,663
Service investment activities / non-financial investments	-	50,000	118,625	121,625	124,000	124,000
Total Operational Boundary	170,291	287,515	399,112	431,703	442,260	451,293

Treasury Indicators

1.33 The following indicators used to be part of the Prudential Code and are now part of the Treasury Management Code of Practice.

1.34 Maturity structure of borrowing:

- a) Upper and Lower Limits respectively for the Maturity Structure of Fixed Interest Rate Borrowing:

Table 11

Period	Upper	Lower
Under 12 months	20%	0%
12 months & within 24 months	20%	0%
24 months & within 5 years	20%	0%
5 years & within 10 years	20%	0%
10 years & above	100%	0%

- b) Upper and Lower Limits respectively for the Maturity Structure of Variable Interest Rate Borrowing:

Table 12

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

- c) Upper limits to fixed interest rate and variable interest rate exposures on borrowing:

Table 13

Year	Upper Limit - Fixed Rate	Upper Limit - Variable Rate
2022/23	100%	30%
2023/24	100%	30%
2024/25	100%	30%

1.35 Upper limit on total principal sums invested for periods longer than a year:

- The total maximum sum that can be invested for more than 365 days is 70% of the core investment portfolio, subject to a maximum of £30 million at any one time.

However, where investments which originally were for periods of more than 365 days currently have 365 days or less to maturity at the 1 April each year they shall be classed from that date as short term i.e., less than 365 day investments and will not count against the 70% or £30 million limit.

Economic Background

UK

COVID-19 vaccines

These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year.

However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations.

Rather than go for full lockdowns which heavily damage the economy, the Government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues.

With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism, and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of Government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pingdemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid.

However, the biggest impact on growth would come from another lockdown if that happened. The big question remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

Covid remains a major potential downside threat as we are most likely to get further mutations. However, their severity and impact could vary widely, depending on vaccine effectiveness and how broadly it is administered.

A summary overview of the future path of Bank Rate

- After the Bank of England became the first major western central bank to put interest rates up in this upswing in December, it has quickly followed up its

first 0.15% rise by another 0.25% rise to 0.50%, in the second of what is very likely to be a series of increases during 2022.

- The Monetary Policy Committee voted by a majority of 5-4 to increase Bank Rate by 25bps to 0.5% with the minority preferring to increase Bank Rate by 50bps to 0.75%. The Committee also voted unanimously for the following:
 - to reduce the £875n stock of UK government bond purchases, financed by the issuance of central bank reserves, by ceasing to reinvest maturing assets.
 - to begin to reduce the £20bn stock of sterling non-financial investment-grade corporate bond
 - purchases by ceasing to reinvest maturing assets and by a programme of corporate bond sales to be completed no earlier than towards the end of 2023.
- The Bank again sharply increased its forecast for inflation – to now reach a peak of 7.25% in April, well above its 2% target.
- The Bank estimated that UK GDP rose by 1.1% in quarter 4 of 2021 but, because of the effect of Omicron, GDP would be flat in quarter 1, but with the economy recovering during February and March. Due to the hit to households' real incomes from higher inflation, it revised down its GDP growth forecast for 2022 from 3.75% to 3.25%.
- The Bank is concerned at how tight the labour market is with vacancies at near record levels and a general shortage of workers - who are in a very favourable position to increase earnings by changing job.
- As in the December 2021 MPC meeting, the MPC was more concerned with combating inflation over the medium term than supporting economic growth in the short term. However, what was notable was the Bank's forecast for inflation: based on the markets' expectations that Bank Rate will rise to 1.50% by mid-2023, it forecast inflation to be only 1.6% in three years' time. In addition, if energy prices beyond the next six months fell as the futures market suggests, the Bank said CPI inflation in three years' time would be even lower at 1.25%. With calculations of inflation, the key point to keep in mind is that it is the rate of change in prices – not the level – that matters. Accordingly, even if oil and natural gas prices remain flat at their current elevated level, energy's contribution to headline inflation will drop back over the course of this year. That means the current energy contribution to CPI inflation, of 2% to 3%, will gradually fade over the next year.
- So the message to take away from the Bank's forecast is that they do not expect Bank Rate to rise to 1.5% in order to hit their target of CPI inflation of 2%. The immediate issue is with four members having voted for a 0.50% increase in February, it would only take one member more for there to be another 0.25% increase at the March meeting.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

- In summary, with the high level of uncertainty prevailing on several different fronts, Link expect to have to revise their forecasts again - in line with whatever the new news is.
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows:
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.

USA

- Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, **CPI inflation hit a near 40-year record level of 6.8%** but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decade high.
- **Shortages of labour** have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the **Fed's meeting of 15 December** would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3 meeting. was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – "maximum employment". The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being "transitory" and instead referred to "elevated levels" of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent "for some time". It did not see Omicron as being a major impediment to the need to take action now to curtail the level of inflationary pressures that have built up, although

Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.

EUROZONE

- The slow roll out of vaccines initially delayed **economic recovery** in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- **November's inflation figures** breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to *persistently* higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB's target of 2% and it is likely to average 3% in 2022, in line with the ECB's latest projection.
- **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16 December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB's target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- The ECB will now also need to consider the impact of **Omicron** on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.
- The EU has entered a **period of political uncertainty** where a new German Government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable

gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.

CHINA

- After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of **2020**; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.
- However, the pace of economic growth has now fallen back in **2021** after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The **People's Bank of China** made a start in December 2021 on cutting its key interest rate marginally to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

JAPAN

- 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its **very loose monetary policy** but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was negative in July. New Prime Minister Kishida, having

won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.

WORLD GROWTH

- World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a **reversal of world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

SUPPLY SHORTAGES

- The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

INTEREST RATE FORECASTS

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is now to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed or unable to be administered fast enough to stop the NHS being overwhelmed.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **Bank of England** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- The **Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine / Russia, Iran, China, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- Longer term US treasury yields rise strongly and pull gilt yields up higher than forecast.

Link Group forecast

- Link now expect the MPC to sharply increase Bank Rate during 2022 to combat the sharp increase in inflationary pressures. They do not think that the MPC will embark on a series of increases in Bank Rate of more than 1.00% during the current and next three financial years as they do not expect inflation to return to being sustainably above 2% during this forecast period.
- **With unpredictable virus factors now being part of the forecasting environment, there is a risk that forecasts could be subject to significant revision during the next three years.**

Employment Committee

Minutes of the meeting held on Tuesday 15 March 2022 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Tracey (Chairman); Councillors; Ashford, Bartlett, Hales, Kennedy, Kohler, Margrave and Tangri

16. **Apologies and Substitutes**

- (a) Apologies were received from Councillors Day and Mangat; and
- (b) Councillor Ashford substituted for Councillor Grey.

17. **Declarations of Interest**

There were no declarations of interest made.

18. **Minutes**

The minutes of the meeting held on 17 February 2022 were taken as read and signed by the Chairman as a correct record.

19. **Pay Policy Statement**

The Committee considered a report from People and Communications that presented the Council's Pay Policy Statement for 2022-2023 as required under the Localism Act 2011, Chapter 20, Part 1 Local Government, Chapter 8 Pay Accountability.

It was positive to note that the measures that Warwick District Council had undertaken to combat low pay resulted in an incrementally decreasing ratio of highest to lowest earnings that was well within the tolerances recommended by the Hutton report (20x).

Agreeing and publishing the Pay Policy was a legal requirement. It set out the authority's policies for the financial year relating to the remuneration of chief officers, the remuneration of the lowest paid employees and the relationship between the remuneration of its chief officers and its employees that were not chief officers. The statement had to be published once it was approved, this would be on the Council's website.

The report gave a definition of chief officers and lowest paid employees. It covered different elements of remuneration and outlined the guidelines and policies that governed remuneration.

The Pay Policy Statement had to be prepared on an annual basis beginning with 2012-2013 financial year and each subsequent year as set out in the Localism Act 2011.

The statement had to contain details of the authority's policies in relation to remuneration for its chief officers.

It had to also include a definition of its lowest paid workers and the policy in relation to their remuneration.

It had to include the relationship in remuneration between chief officers and lowest paid workers; this was illustrated by ratios.

The statement also included levels and elements of remuneration for chief officers, remuneration for the recruitment of chief officers, increases and additions to chief officers, performance related or other bonuses for chief officers, the approach to chief officer remuneration if they ceased to hold office or ceased employment and the publication of and access to information relating to chief officer remuneration.

In terms of alternative options, there were none considered as it was required by law.

In response to questions from Members, the Head of People and Communications stated that the honorarium at Head of Service level was to reflect the workload of the role. However, it was not intended to be permanent and would be reviewed next year.

It was proposed by Councillor Hales and seconded by Councillor Bartlett, and it was

Recommended to Council that

- (1) the Pay Policy Statement, as set out at Appendix 1 to minutes, and its publication for the 2022-23 financial year, be agreed; and
- (2) the publication of the approved Pay Policy Statement on an annual basis with reviews and amendments (in-year if required subject to agreement at Council), be agreed.

20. **Gender and Ethnicity Pay Gap Report**

The Committee considered a report from People and Communications that presented the mandatory gender pay gap information that had to be reported to central government and published on the Warwick District Council website. It also presented the Ethnicity Pay Gap reporting and recommended its publication by the Council.

In accordance with the Equality Act 2010, with effect from 30 March 2018, it was a requirement to report and publish specific gender pay gap information; this was the fourth annual statement.

A Task & Finish group was agreed at the Overview and Scrutiny Committee meeting in July 2020 with the remit to consider 'The Council's approach to equality and diversity, especially with regard to race'. Although this was not a legal requirement, Council decided on 24 June 2020 that "in order to support its consideration of the report and the monitoring of the action plan, the Council requires the publication of relevant annual data, including an Ethnicity Pay Gap report alongside the current Gender Pay Gap report".

Gender Pay Gap legislation (developed by the Government Equalities Office) introduced in April 2017 required all employers of 250 or more employees to publish their gender pay gap for workers in scope as of 31 March of each year.

Unlike the gender pay gap, there was no legal requirement for companies to publish their ethnicity pay gap. A recent report by the Commission for Race and Ethnic Disparities recommended that the practice should remain voluntary due to a lack of diversity in some parts of the country. A coalition of workers' groups called for ethnicity pay gap reporting to be made mandatory so employers could better address pay disparities. Warwick District Council decided to voluntarily publish its ethnicity pay gap data because it believed that it was an important step towards ensuring its workforce was diverse, inclusive, and fair for everyone.

The WDC gender pay gap reporting figures and the ethnicity pay gap reporting figures were calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The data included the following types of staff: Employees with a contract of employment (part time, full time, permanent and fixed term), Casuals/Workers. A glossary of terms and basis of calculations was included in Appendix 3 to the report.

Warwick District Council was committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It had a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

As such it:

- operated job evaluation methodology to grade all jobs, using the Hay Job Evaluation Scheme to ensure that jobs were paid fairly;
- ensured that allowances were awarded fairly and consistently across the Council; and
- re-evaluated job roles and pay grades as necessary to ensure a fair structure.

Warwick District Council was confident that its pay gap did not stem from paying employees differently for the same or equivalent work.

Transparency was a vital step towards harnessing the power of a diverse workforce. Reporting pay gap information provided employers with an essential foundation on which to identify, and then tackle, any barriers to creating a truly diverse workforce.

In terms of alternative options, there were none considered as it was required by law.

The Head of People and Communications stated that this report was a "snapshot in time" of data that was collected on 31 March 2021, and that the quality of the report was reliant on the quality of the data provided. For example, with the new payroll system that was introduced in 2021, only around 60-80 staff members had declared their ethnic background information. There was a need for people to understand the benefits of providing this information.

In response to questions from Members, the Head of People and Communications stated that Diversity and Inclusion should be in

everything that the Council did. Warwick District Council aimed to embed Diversity and Inclusion principles in every document produced, and it was everyone's responsibility to ensure this. She noted that the work done by the Task and Finish Group had pushed WDC to raise the bar and required more resources to tackle the issue of pay gaps.

It was proposed by Councillor Hales and seconded by Councillor Kennedy, and it was

Recommended to Council that

- (1) the publication of the Gender Pay Gap reporting as of 31 March 2021 as set out at Appendix 1 to the minutes be agreed, prior to its publication on 1 April 2022; and
- (2) the publication of the Ethnicity Pay Gap reporting as of 31 March 2021 presented in Appendix 2 to the report, be agreed.

(The meeting ended at 6.40pm)

CHAIRMAN
28 June 2022

PAY POLICY STATEMENT 2022/23

Introduction and Purpose

Warwick District Council aims to have a comprehensive remuneration package that is appropriate and fair for all levels of role and responsibility; ensuring that transparency and equality underpins any rewards.

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit".

This Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the setting of pay for its employees.

The Pay Policy must set out the authority's policies relating to:

- The remuneration of its key chief officers (this includes Chief Executive, Deputy Chief Executive, Heads of Service, Section 151 Officer and Monitoring Officer)
- The remuneration of its lowest paid employees
- The relationship between
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.

The Pay Policy Statement must include:

- The definition of 'lowest paid employees' for the purposes of this statement
- The Authority's reason for adopting this definition

The Pay Policy Statement must also include the Council's Policy in relation to each of the following:

- Remuneration on recruitment
- Increases and additions to remuneration
- The use of performance related pay
- The use of bonuses
- The approach of payment on their ceasing to be employed by the authority
- The publication of and access to information relation to their remuneration

Once approved by Full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time

In support of improvements in transparency, and mindful of additional requirements of the Local Government Transparency Code 2015, the Pay Policy Statement signposts to the central point of information on the Warwick District Council website for Data Transparency.

REMUNERATION PROVISIONS

Definition of Chief Officers

For the purposes of this Pay Policy Statement, all references to Chief Officer include Statutory Officers, Chief Officer and Deputy Chief Officers, as defined within Section 43 of the 2011 Localism Act, apart from clerical and administrative posts. In accordance with the Council's Constitution these include:

- Chief Executive
- Deputy Chief Executive
- Heads of Service
- Section 151 Officer
- Monitoring Officer

The Council's Chief Officer Structure is set out within Article 12 of the Constitution of the Council and published in accordance with the Transparency Code.

Chief Officer grades and salaries are determined using the Hay Evaluation criteria.

For the purposes of the Pay Policy Statement, the Council is required to define and set out the relationship and definition of the lowest paid employee.

Definition of Lowest Paid Employees

For the purpose of this pay policy statement, the definition of the lowest-paid employees adopted by the Council for the purposes of this statement is as follows:

'The lowest paid worker is defined as those on the lowest spinal column point of Grade J, which is the Council's lowest pay grade (excluding apprentices)'. Warwick District Council does not have any employees on the lowest spinal column point and from 1st April 2021 the annual salary of the lowest paid employee is £18,562 (£9.62 per hour).

This places a ratio between the lowest paid and highest paid employee at 6.22:1 from 1st April 2021.

The Council considers this to be the most appropriate definition as this is the lowest contractual pay point and pay level on its substantive pay structure and which normally applies to new entrants to the lowest graded jobs within the organisation.

The exception is employees who are employed on a Government sponsored apprenticeship programme that allows for them to be paid at nationally agreed apprenticeship rates. The recommended pay rates for apprentices should not be lower than the National Minimum Wage and the District Council has adopted a pay range for apprentices that exceeds National Rates for apprentices.

A copy of the Council's pay scales can be found at the end of this statement.

Section 1- POLICY ON REMUNERATION OF CHIEF OFFICERS

1. Levels of Pay for Chief Officers

The Chief Executive as head of the paid service is employed on the JNC terms and conditions of service and paid a salary that is a spot payment, commensurate with the role.

The Deputy Chief Executives, Heads of Service (which include the Monitoring Officer and the Section 151 Officer) are paid within the Warwick Senior Management Grades (WSMG) on a salary which is considered a market rate within the local government sector. There are 3 salary scale incremental levels; the current levels of pay for each Chief Officer are set out in Appendix 1.

Employer contributions for LGPS for 2021/22 is 19.9% and Employee contributions can be found at

<https://www.lgpsmember.org/toj/thinking-joining-how.php#:~:text=Contributions%20table%202021,guaranteed%20by%20law.>

These elements of remuneration for 2020/21 are set out below. As at this time the Chief Executive and Chief Officer pay award for 2021/22 has not been agreed by the JNC.

2. Elements of Remuneration for Chief Officers

In addition to the basic salary outlined above, Chief Officers may claim business mileage as HRMC guidelines.

The Chief Executive is the Council's Returning Officer and receives an Election Allowance. This allowance is set by central government and it varies each year depending on the number and type of elections held in each year.

The Council's Monitoring Officer role is carried out by the Joint Head of Law and Governance, an additional payment for Monitoring Officer duties is not made.

For an exceptional piece of work or an exceptional achievement, a Chief Officer may be awarded an honorarium. The Chief Executive can approve this for any employee and this is either paid as a one off payment or can be a monthly allowance for a temporary period.

3. Pay Levels on Recruitment

The pay level offered on recruitment is typically the bottom point of the salary grade for all roles including Chief Officers. In situations, however, where the individual recruited has a high level of knowledge or skills, and/or previous relevant experience, a higher salary up to the maximum salary for that post, may be authorised by the Chief Executive.

Chief Officers are appointed by the Joint Appointments Committee (which reflects all political parties) exercising their delegated powers as outlined in the officer employment procedures.

This excludes the appointment to the role of Head of Paid Service (Chief Executive) and any other posts where the salary is greater than £100,000 where the Employment Committee recommends the appointment to Full Council for approval.

4. Increases to Pay

Any cost of living increases agreed through JNC are applied to Chief Officers pay. This is typically on 1st April each year and incremental increase to their pay will be applied 12 months after the date of appointment.

There are 3 levels of increment; the first is the recruiting salary, the second level is automatic but the final level is subject to a satisfactory performance as signed off by their line manager. It may be withheld if the Chief Officer is deemed to not have a satisfactory performance appraisal or has a live formal written warning for conduct or performance issues.

Where a Chief Officer has given exceptional performance then they may be awarded additional increments outside of the normal incremental timescale as detailed above - subject to their pay not exceeding the maximum salary for their post. This would be authorised by the Chief Executive.

Chief Officers' pay will be benchmarked when required against the market to ensure consistency is maintained both in the peer local authorities and nationally if relevant. Where there are significant changes in market rates then a pay benchmarking assessment will be carried out for Chief Officers.

Where a Chief Officer is temporarily working in a higher level role, (duration of 3 months or more) this may be recognised by payment of an honorarium or the higher salary relevant to that role on a temporary basis.

5. Impact of Shared Service Working for Chief Executive, Deputy Chief Executive and Heads of Service

The Council has agreed to pursue a merger with Warwick District Council to form a South Warwickshire District Council in 2024

Any such proposal under this

Strategy should lead to:

- ☐ Maintained/improved service performance
- ☐ Increased resilience to the service
- ☐ Reduction in cost to the Council

The Council has agreed to the sharing of senior posts, via a Section 113 Agreement, with Stratford District Council as opportunities arise. All costs relating to shared posts will be split equally between the two Councils.

In recognition of the additional duties being undertaken, during the transitional stage an interim honorarium of 5% is being applied to all Head of Service posts which are undertaking a joint Head of Service role, for both authorities, with effect from the date the S113 Agreement became active.

6. Market Forces Supplement

The Council updated their Market Forces Supplement Scheme in 2017. It is the Council's policy to pay temporary and reviewable 'market forces supplement' to posts where there is clear and demonstrable evidence that the salary level attached to the post creates substantial recruitment and retention difficulties. Any supplement will be automatically withdrawn at the end of two years unless an application for extension is agreed.

7. Performance Related Pay or Bonuses

Exceptional performance of Chief Officers is recognised by either accelerated increments or an honorarium as detailed previously. Poor performance may result in an increment being withheld.

8. Termination Payments

In the case of redundancy, a severance payment would be made to a Chief Officer in line with the current the Discretionary Compensation Policy and as per the Redundancy Calculator. Pension benefits, on termination of employment, prior to reaching normal retirement age, would be calculated in accordance with the Local Government Pension Scheme regulations

Employees who wish to apply for Early Retirement or Flexible Retirement may do so in accordance with the associated policies for early retirement and flexible retirement.

In the case of termination due to Ill-health, a termination payment would not be applicable but an early pension benefit may be awarded by the pension scheme. The pension benefit may include a lump sum in addition to an on-going pension payment.

On termination of employment, if it is not possible or desirable for the Chief Officer to serve their contractual or statutory notice period, then a payment may be made in lieu of the notice period.

Any contractual payments such as outstanding annual leave are usually included in payments on termination of employment. Similarly, any monies owing to the Council would be deducted from payments made on termination.

In exceptional circumstances the Council may choose to make a payment under a Settlement Agreement. Such circumstances could include minimising the risk of uncertainty or disruption to the authority. Such payments are subject to a formal decision by the Chief Executive, in consultation with the relevant Deputy Chief Executive, relevant Head(s) of Service and Group Leaders. Approval will be sought by the Cabinet at its next meeting.

Any severance package that exceeds £100,000 should be approved by full Council. The components of which may include pay in lieu of notice, redundancy compensation, payment made in accordance with a Settlement Agreement, pension entitlements, holiday pay and any fees or allowances paid.

It is not the Council's policy to re-employ or to contract with senior managers who have been made redundant from the council unless there are exceptional circumstances where their specialist knowledge and expertise is required.

Section 2 - POLICY ON REMUNERATION OF ALL EMPLOYEES AND IDENTIFICATION OF OUR LOWEST PAID EMPLOYEES

In 2021/22 the lowest paid persons employed under a contract of employment with the Council were employed on new spinal column point 3 of the NJC Pay. The full time equivalent salary for this point is £18,562. This is the evaluated rate for the job in accordance with the Hay job evaluation scheme and the Council's agreed grading structure.

Using the Hay Job Evaluation process, the Councils use the nationally negotiated pay spine (further details can be found at www.LGE.gov.uk) as the basis for its local grading structure. This determines the salaries of the large majority of the workforce – apart from Chief Officers - together with the use of other nationally defined rates where relevant. The Council is committed to adherence to the national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine. The 2021/22 award has yet to be agreed.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by the Council. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied within the grade where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity and this would be done in accordance with the Market Forces Supplement Scheme. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

Section 3 - THE RELATIONSHIP BETWEEN REMUNERATION OF CHIEF OFFICERS AND OTHER EMPLOYEES

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers (as included within the Hutton 'Review of Fair Pay in the Public Sector' 2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay – in that a public sector manager cannot earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's 'Code of Recommended Practice on Data Transparency' recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council's workforce.

Salary Information 2021/22	
	£
Highest Chief Officer Salary	115,469
Median Chief Officers Salary	66,652
Median Officers Salary	25,481
Lowest Officer Salary	18,562

	2020/21
Comparison of the Chief Officers Mean / Officer Mean	2.65
Highest earning Chief Officer/ Pay scale Officer Mean	4.13
Highest earning Chief Officer/ Lowest Pay scale Officer	6.22
Median Chief Officer/ Median Pay scale Officer	2.62
Highest Chief Officer/ Median Pay scale Officer	4.53

These figures are accurate as of January 2022 data and exclude any other payments or allowances. The tolerances are well within the limits recommended by the Hutton report.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Section 4 - PUBLICITY AND ACCESS TO INFORMATION

This policy including Appendices will be available on our web site www.Warwickdc.gov.uk.

Section 5 - RELATED DOCUMENTS

Early Retirement	Flexible Retirement
Redeployment Policy	Ill-Health Retirement Policy
Recruitment Policy	Honoraria Policy
Final Increment Scheme for Chief Officers	Capability Policy
Disciplinary Policy	Market Forces Supplement
Scheme	
Hay Job Evaluation Scheme	

Date of first issue:	March 2012
Date of next review:	January 2023

Chief Officers and Chief Executive 2021/22 Pay Award has yet to be agreed

(WSMG Scheme for Chief Officers excluding the Chief Executive)

Basic Pay

Grade	Post	Starting Point £	Mid Point £	Max Point £	
CX	Chief Executive	105,460	-	115,469	
WSMG1	Joint Deputy Chief Executive	86,759	90,375	93,989	
WSMG1	Joint Programme Director for Climate Change	86,759	90,375	93,989	
WSMG1	Joint Head of Finance (S151)	76,748	79,807	82,865	2
WSMG3	Joint Head of Housing	61,521	64,086	66,652	1, 2 & 3
WSMG3	Joint Head of Culture, Tourism and Leisure	61,521	64,086	66,652	2
WSMG3	Joint Head of People and Communications	61,521	64,086	66,652	2
WSMG3	Joint Head of ICT	61,521	64,086	66,652	2
WSMG3	Joint Head of Assets	61,521	64,086	66,652	2
WSMG3	Head of Community Protection	61,521	64,086	66,652	2

1 = In receipt of a Market supplement

2 = In receipt of 5% honorarium enhancement to reflect joint working

3 = In receipt of an honorarium payment to reflect working at a higher level

Joint Posts Employed by Stratford
Joint Deputy Chief Executive
Joint Head of Law and Governance - Monitoring Officer
Joint Head of Environmental and Operational Services
Joint Head of Revenues and Customer Services
Interim Joint Head of Development Services
Joint Head of Place and Economy

ELEMENTS OF REMUNERATION FOR CHIEF OFFICERS

Car Mileage Payments

The accumulative mileage claims for the Chief Officer population for 2019/20 is approximately £990. In 2020/21 claims were in the region of £45

Election Allowance for 2021/22 (Chief Executive only)

The fee paid to the Returning Officer is determined by legislation and the recovery of the costs for the Returning Officer duties at a UK or European Election is met from Central Government funds and as such does not constitute a cost the Council.

Market Forces Payments

The Head of Housing Services post is currently in receipt of a £6,360 market supplement in accordance with the Market Forces Supplement Scheme.

Honorarium Payments

Chief Officers acting as Joint Head of Service with Stratford District Council received a 5% honoraria in 2021/22 from the date of joint responsibilities being undertaken.

Relocation Scheme

None anticipated for 2021/22

Mortgage Subsidy Scheme

None currently

At the time of writing the NJC 21/22 Pay Award has not been agreed

Salary Grade	Spinal Column Point	Salary £
I	2	18,198
	3	18,562
H	4	18,933
	5	19,312
G	6	19,698
	7	20,092
	8	20,493
	9	20,903
	10	21,748
	11	22,183
F	12	23,080
	13	23,541
	14	24,491
	15	25,481
E1	16	25,991
	17	27,041
	18	27,741
	19	28,672
	20	29,577
E2	21	30,451
	22	31,346
	23	32,234
	24	32,910
	25	33,782
D	26	34,728
	27	35,745
	28	36,922
	29	37,890
C	30	38,890
	31	39,880
	32	40,876
	33	41,881
	34	42,821
B	35	43,857
	36	44,863
	37	45,859
	38	46,845
	39	47,846
	40	48,847
A	41	49,865
	42	50,881
	43	51,896

WARWICK SENIOR MANAGER GRADES

Salary Grades 2020/21

At the time of writing the JNC and Chief Executive's 21/22 Pay Award had not been agreed

Grade	WSMG Point	1.4.21 Salary £
WSMG3	1	61,521
	2	64,086
	3	66,652
WSMG2	4	77,748
	5	79,807
	6	82,865
WSMG1	7	86,795
	8	90,375
	9	93,989
C Exec	1	105,460
	2	115,469

GENDER PAY GAP REPORTING 2021/22 DATA AS AT 31.3.21

1. Background Information

- 1.1 The gender pay gap report for Warwick District Council sets out the gender pay gap information relating to employees in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- 1.2 Any company who employs more than 250 employees are required to report on their:
 - a. Mean gender pay gap
 - b. Median gender pay gap
 - c. Mean bonus gender pay gap (including long service and honoraria)
 - d. Median bonus gender pay gap (including long service and honoraria)
 - e. Proportion of males and females receiving a bonus payment
 - f. Proportion of males and females in each quartile band
- 1.3 This report identifies Gender pay gap data using pay data on the snapshot date of 31st March 2021, and in relation to 'bonuses' paid between 1st April 2020 and 31st March 2021
- 1.4 The information must be published on both the Council's website and available for at least 3 years and on the designated government website. This is the fourth pay gap data report to be compiled.
- 1.5 The WDC gender pay reporting figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
- 1.6 The data includes the following types of staff:
 - Employees with a contract of employment (part time, full time, permanent and fixed term)
 - Casuals/Workers
 - Apprentices
- 1.7 The data does not include temporary staff employed through an agency.

2.0 Gender Profile

- 2.1 As at 31.3.21 Warwick District Council employed 574 people (contracted and casual staff).
- 2.2 The Council employs a higher percentage of women (56%) than men (44%) at 31.3.21. The percentage of women has stayed the same since 2018.
- 2.3 When compared with Warwickshire's general population of economically active people aged 16 and over, the Council employs a higher percentage of women and a lower percentage of men (56% women employees compared with the general population of 46.8% women, and 44% men compared with the general population of 53.2% men).

		Female	%	Male	%	Total
Number of Employees	2021	322	56.09	252	43.91	574
	2020	320	56.44	247	43.56	567
	2019	313	56.19	244	43.81	557
	2018	296	55.53	237	44.47	533

Female	2021	2020	2019	2018
Employees	322	320	313	296
% of employees	56%	56%	56%	56%
Full time	166	162	171	152
Part time	124	122	115	115
% part time	38%	38%	37%	38%
Casual workers	32	36	27	29
Average week p/t	23 hours	23 hours	22 hours	23 hours
Hours between	6.23 - 35 hrs	7.5 -35 hrs	7.5 -35 hrs	7.5 - 35 hours
Average week all	31 hours	31 hours	31 hours	31 hours
% Managerial roles	17.40%	16.60%	14%	14%

Male	2021	2020	2019	2018
Employees	252	247	244	237
% of employees	44%	44%	44%	44%
Full time	210	200	187	178
Part time	27	28	29	38
% part time	10.7%	11%	12%	16%
Casual workers	15	19	28	21
Average week p/t	22 hours	20.7 hours	21.8 hours	22.8 hours
Hours between	7.67 - 35 hours	7.67 - 35 hours	7.67 - 35 hours	7.67 - 35 hours
Average week all	35.4 hours	35 hours	35 hours	34.7 hours
% Managerial roles	23%	27%	21%	21%

3. **Mean, Median and Bonus Gender Pay Gap Results**

The guidance detailed on the gov.uk website has been used to calculate this data described as: 'The gender pay gap of the organisation should be calculated as hourly pay, as both a:

- mean figure (the difference between the average of male and female pay).
- median figure (the difference between the midpoints in the ranges of male and female pay)'.

As a summary the results for Warwick District Council are set out below:

	Year	Female	Male	Gender Pay Gap
Mean hourly rate	2021	£13.66	£15.87	13.93%
	2020	£12.92	£15.08	14.32%
	2019	£12.43	£14.56	14.63%
	2018	£12.20	£14.41	15.30%
Median hourly rate	2021	£11.96	£14.16	15.54%
	2020	£11.07	£13.11	15.50%
	2019	£11.24	£12.49	10%
	2018	£11.02	£12.37	10.90%
Mean bonus payment	2021	£500.00	£472.00	-5.93%
	2020	£390	£427	8.66%
	2019	£60.90	£61.08	0.29%
	2018	£34.47	£18.20	-89.40%
Median bonus payment	2021	£860.11	£936.76	8.18%
	2020	£444	£444	0%
	2019	£500	£130	-284.60%
	2018	£750	£447	-68%
Proportion who received a bonus	2021	7.76%	5.55%	
	2020	1.50%	2%	
	2019	13.40%	14.30%	
	2018	6%	3%	

3.1 Mean gender pay gap

There is an 13.93% pay gap between the mean hourly rate for Male employees and Female employees on 31st March 2021.

The Council's mean gender pay gap has reduced by 1.37% from 15.3% since 2018.

The gender pay gap in the UK has been declining slowly over time; over the last decade it has fallen by just over one-fifth among all employees. Our mean gender pay gap is slightly lower than the 2020 national median gender pay gap of 14.6% by 0.6%, and the public sector as a whole by 0.5% where the mean gender pay gap is 14.5% (ONS).

3.2 Median gender pay gap

There is an 15.54% pay gap between the median hourly rate for Female employees and Male employees on 31st March 2021.

The Council's median gender pay gap has increased by 4.64% from 10.9% since 2018.

Our median gender pay gap is the same as the 2020 national median gender pay gap of 15.5% and is very slightly lower than the public sector as a whole by 0.3% where the median gender pay gap is 15.8% (ONS).

3.3 Bonus pay

In terms of mean bonuses, Females employees earnt more (£500.00) than Male employees (£472.00). The gap is 5.93% in favour of Female employees.

In terms of median bonuses, Female employees earn less (£860.11) than Male employees (£936.76) employees.

4.0 Pay Quartiles

- 4.1 2020 – 2021 hourly rates within Warwick District Council range from £4.55 (apprentice rate) to £53.25.
- 4.2 On 31 March 2021 the highest concentration of female employees is in the lower quartile 64%.
- 4.3 Since March 2018, the percentage of female employees in the lower quartile has increased by 1% (63% to 64%).
- 4.4 Since March 2018 the percentage of female employees in the upper quartile has increased by 2 % (38% to 40%)
- When dividing all employees by gender into 4 quartiles the pay rates are shown below:

WDC Pay Quartiles by Gender 31.3.21						
Quartile	No. of males	No. of females	Total	Males	Females	Total %
Lower Quartile - 4.55 - 10.83	51	92	143	36%	64%	100%
Lower Middle Quartile - 10.83 - 13.21	54	90	144	38%	63%	100%
Upper Middle Quartile - 13.21 - 17.06	61	82	143	43%	57%	100%
Upper Quartile - 17.06 - 59.85	86	58	144	60%	40%	100%

WDC Pay Quartiles by Gender 31.3.20						
Quartile	No. of males	No. of females	Total	Males	Females	Total %
Lower Quartile £4.35 to £10.24	46	95	141	33%	67%	100%
Lower Middle Quartile £10.24 to £11.88	59	83	142	42%	58%	100%
Upper Middle Quartile £11.88 to £16.60	58	84	142	41%	59%	100%
Upper Quartile £16.60 to £58.25	84	58	142	59%	41%	100%

WDC Pay Quartiles by Gender 31.3.19						
Quartile	No. of males	No. of females	Total	Males	Females	Total %
Lower Quartile £4.10 to £9.78	55	84	139	40%	60%	100%
Lower Middle Quartile £9.78 to £11.61	57	82	139	41%	59%	100%
Upper Middle Quartile £11.61 to £15.94	49	90	139	35%	65%	100%
Upper Quartile £15.94 to £57.11	83	57	140	59%	41%	100%

WDC Pay Quartiles by Gender 31.3.18						
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Quartile	No. of males	No. of females	Total	Males	Females	Total %
Lower Quartile £4.59 to £9.55	54	80	134	37%	63%	100%
Lower Middle Quartile 9.72 to £11.74	48	85	133	36%	64%	100%
Upper Middle Quartile £11.74 to £15.63	52	81	133	39%	61%	100%
Upper Quartile £15.63 to £55.99	83	50	133	62%	38%	100%

4.2 Quartile Pay Band Summary - In order for there to be no gender pay gap, there would need to be an equal ratio of male to female in each quartile.

4.3 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

5.0 **Summary of Gender Pay Gap Data as at 31st March 2021**

- The Mean Gender pay gap is 13.93% (a total year decrease of 1.37% since 2018).
- The Median Gender pay gap is 15.54% (a total increase of 4.64% since 2018). Females in lower graded roles have increased by 16 and at the same time males in these roles have decreased by 10.
- The Mean Bonus pay gap has decreased to -5.93% with more females receiving a bonus than males however the Median bonus payment gap is 8.18% with males on average receiving a higher amount.

6.0 **Analysis**

At Warwick District Council the gender pay gap for the mean hourly rate decreased by 0.39%.

The median hourly rate for females increased by 0.89p and the median hourly rate for males grew by 1.05p. This is largely attributable to the higher number of females in the lower graded roles compared to males.

The lowest pay rate increased from £4.35 to £4.55 due to an increase in the apprenticeship pay rate.

7.0 **National Picture**

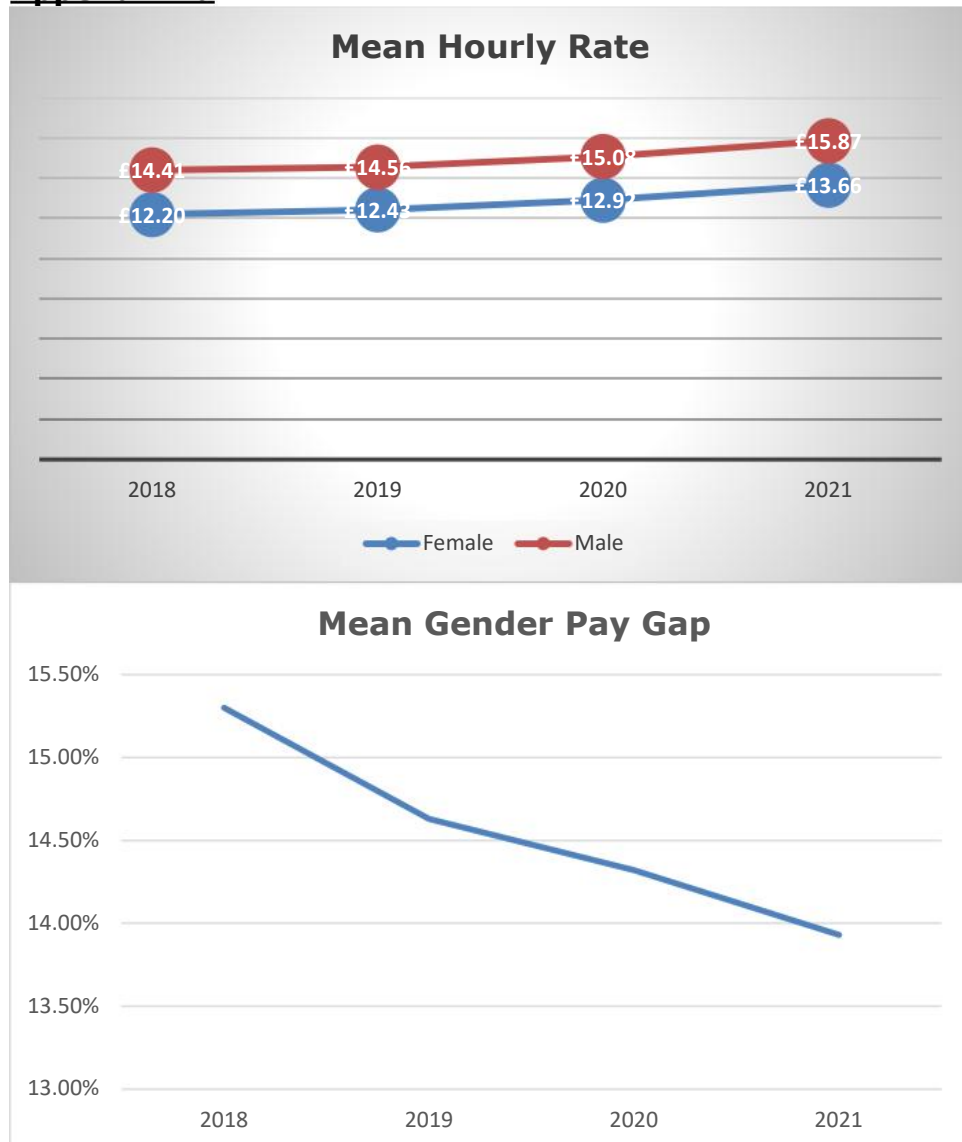
We have compared the Council's gender pay gap results for the mean and median hourly pay to the Office of National Statistics (ONS) - Annual Survey of Hours and Earnings (ASHE) provisional earnings data for October 2021 for jobs in the United Kingdom in the table below:

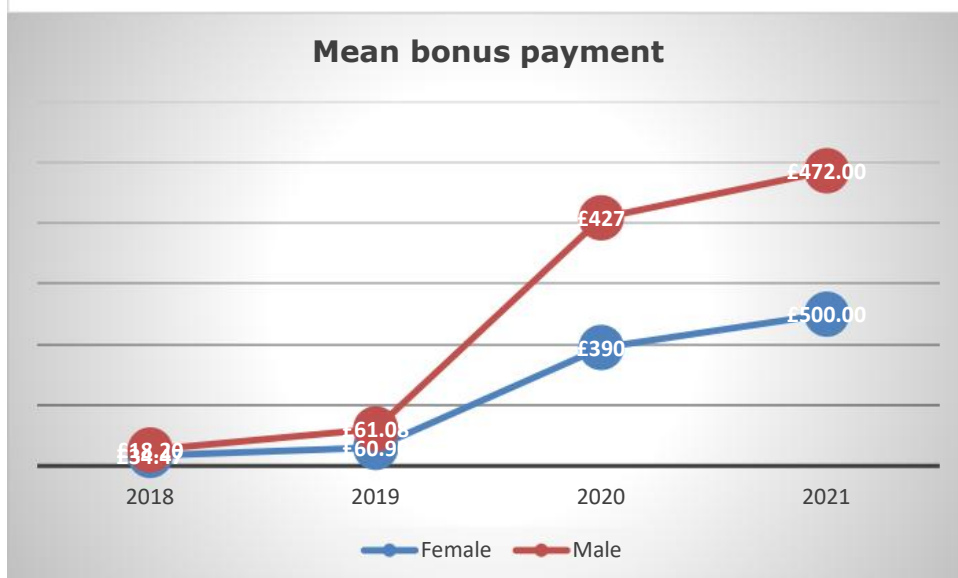
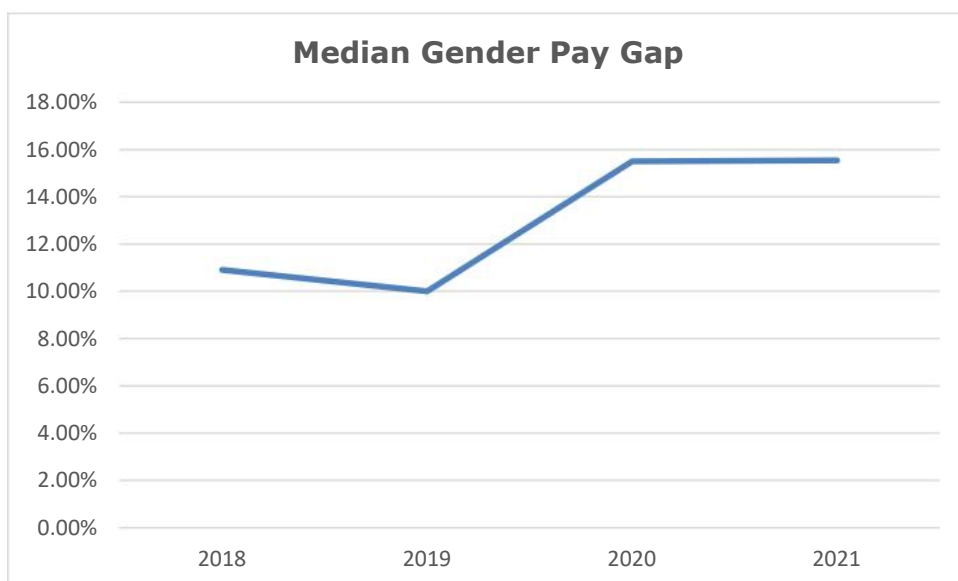
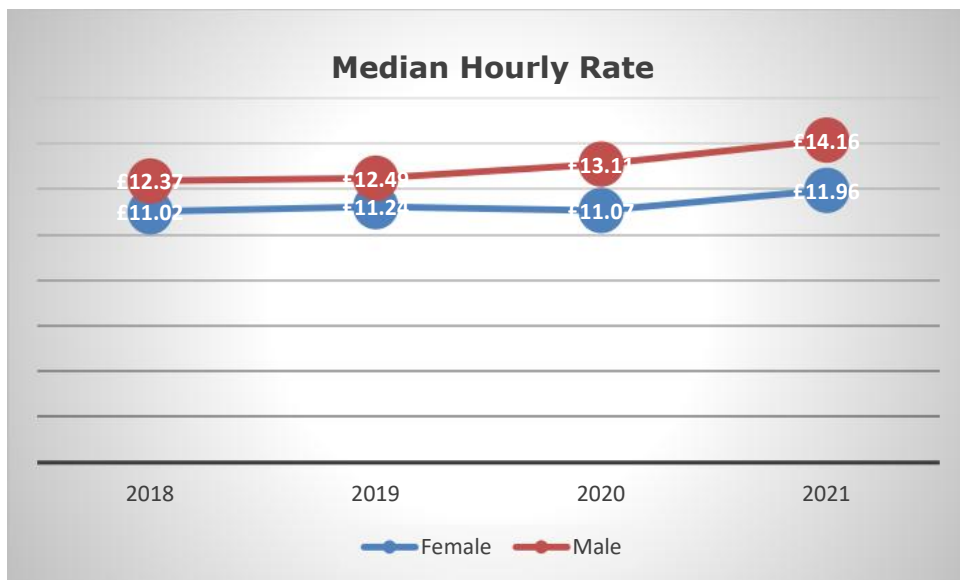
Description	Mean	Median
United Kingdom	14.9	15.4
Public Sector	14.8	18.00
Private Sector	17.8	19.6

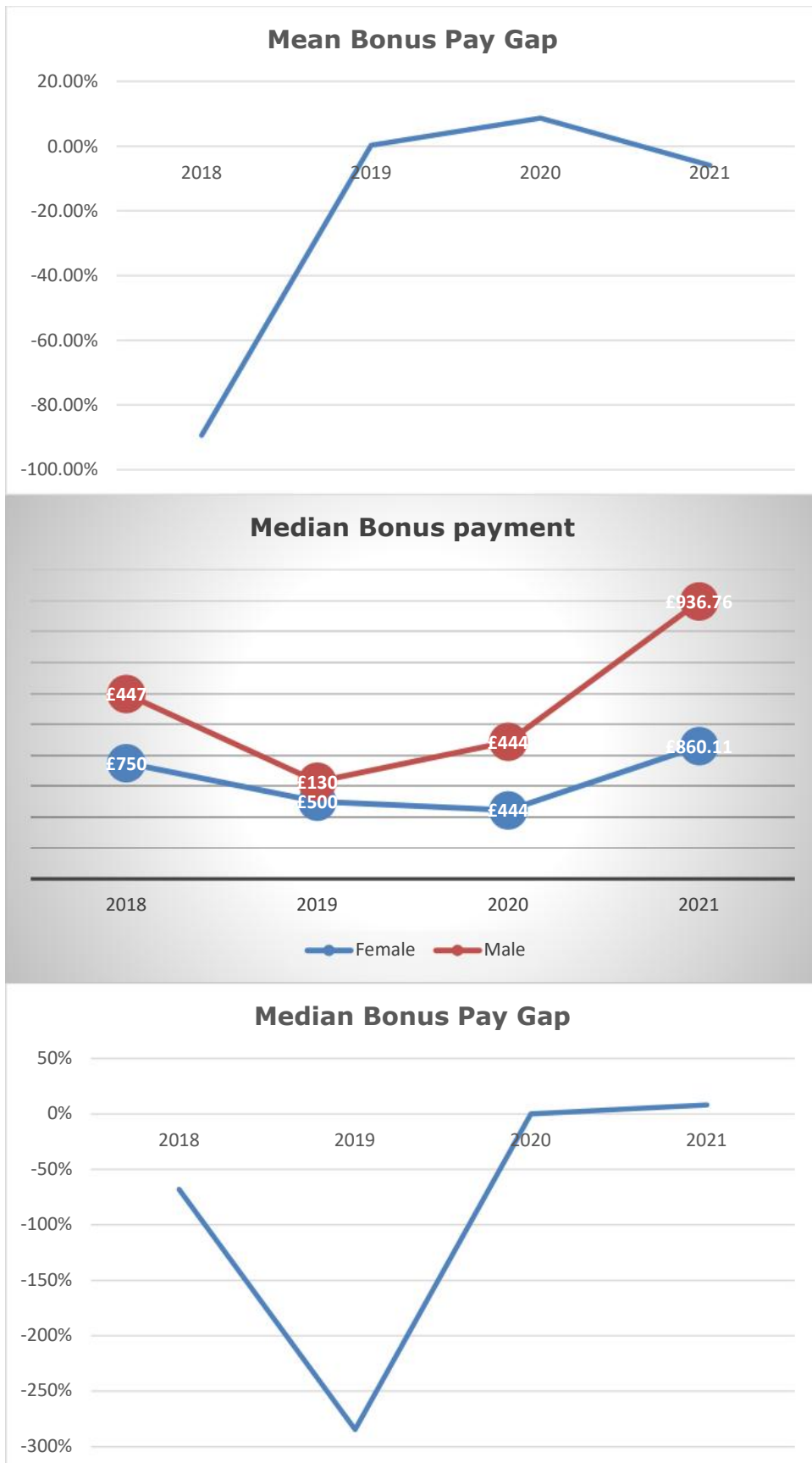
Warwickshire	Not available	22.9
Warwick Area	8.8	16.6
Warwick District Council	15.3 (2018) 14.6 (2019) 14.3 (2020) 13.9 (2021)	10.9 (2018) 10.0 (2019) 15.5 (2020) 15.5 (2021)

[Gender pay gap - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

Appendix 1a







ETHNICITY PAY GAP REPORTING 2021/22 DATA AS AT 31.3.21

1. Background Information

- 1.1 The ethnicity pay gap report for Warwick District Council sets out the ethnicity pay gap information relating to employees and is calculated in line with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017.
- 1.2 Unlike the gender pay gap, there is no legal requirement for companies to publish their ethnicity pay gap. A recent report by the Commission for Race and Ethnic Disparities recommended that the practice remain voluntary due to a lack of diversity in some parts of the country. A coalition of workers' groups have called for ethnicity pay gap reporting to be made mandatory so employers can better address pay disparities. Warwick District Council has decided to voluntarily publish its ethnicity pay gap data because we believe it's an important step towards ensuring our workforce is diverse, inclusive, and fair for everyone.
- 1.3 This report identifies the Council's ethnicity pay gap data using pay data on the snapshot date of 31st March 2021, and in relation to 'bonuses' paid between 1st April 2020 and 31st March 2021.
- 1.4 The WDC ethnicity pay reporting figures have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Advice received from the WCC's Equality, Diversity and Inclusion Practitioner is that for the purposes of the calculation 'Not declared' should be included in the White British category.
- 1.5 The acronym BAME (Black, Asian and minority ethnic) is used throughout this report however, we recognise its limitations as a term that combines and therefore dilutes the experiences of Black, Asian, and other ethnic groups.
- 1.6 The data includes the following types of staff:
 - Employees with a contract of employment (part time, full time, permanent and fixed term)
 - Casuals/Workers
 - Apprentices
- 1.7 The data does not include temporary staff employed through an agency.

2 Ethnicity Profile

- 2.1 As at 31.3.21 Warwick District Council employed 574 people (contracted and casual staff).
- 2.2 Since 2018 the percentage of employees who are BAME has increased by 1.4% to 10.1%.
- 2.3 The BAME profile at the Council, comparing the percentage of White British and Not declared, shows a slightly lower representation of BAME employees (10.1%) compared with the general Warwickshire population (11.8%).

		Not declared and White British	%	BAME	%	Total
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Number of employees	2021	516 (63 Not declared)	89.9	58	10.1	574
	2020	510 (60 Not declared)	90	57	10.0	567
	2019	505 (64 Not declared)	90.6	52	9.4	557
	2018	487 (47 Not declared)	91.3	46	8.7	533

Not declared	2021	2020	2019	2018
Employees	63	60	64	47
% of employees	10.98%	10.6%	9.4%	8.8%
Full time	38	34	38	31
Part time	9	10	10	10
% part time	14%	16.6%	15.6%	21.3%
Casual workers	16	16	16	6
Average week p/t	22.7	21.4	21.1	20.3
Hours between	7.67 - 35	7.50 - 35	7.50 - 33.5	7.67 - 33.5
Average week all	34.4%	33.6%	33.7%	32.9%
% Managerial roles	23.8%	15%	15.6%	19%
BAME	2021	2020	2019	2018
Employees	58	57	52	46
% of employees	10.1%	10.0%	9.4%	8.7%
Full time	40	39	37	32
Part time	17	17	13	10
% part time	29.3%	29.3%	25%	21.7%
Casual workers	1	1	2	4
Average week p/t	25.22	25.3	22.2	25.3
Hours between	7.67 - 35	7.67 - 35	7.67 - 35	8.63 - 35
Average week all	33.5	33.5	33.2	34.2
% Managerial roles	13.7%	14%	11.5%	8.7%
White British	2021	2020	2019	2018
Employees	453	450	441	438
% of employees	78.9%	79.4%	79.1%	82.5%
Full time	298	288	284	263
Part time	124	124	120	132
% part time	27.4	27.6%	27.2%	30%
Casual workers	31	38	37	43
Average week p/t	22.2	22.5	22.5	23.14
Hours between	6.23 -35	7.50 - 35	7.67 - 35	7.67 - 35
Average week all	32.7	32.7	32.7	32.43
% Managerial roles	17.6%	18.2%	20.6%	21.5%

3. Mean, Median and Bonus Ethnicity Pay Gap Results

The methodology as that used in calculating the Gender Pay Gap reporting has been used.

A summary of the results for Warwick District Council are set out below:

		Not declared and White British	BAME	Pay gap
Mean hourly rate	2021	£14.82	£12.95	12.62%
	2020	£14.00	£12.62	9.85%
	2019	£13.62	£11.66	14.39%
	2018	£13.33	£11.81	11.4%
Median hourly rate	2021	£13.21	£10.94	17.18%
	2020	£12.35	£10.54	14.65%
	2019	£11.74	£10.27	12.52%
	2018	£12.13	£10.44	13.93%
Mean bonus payment	2021	£936.00	£476.50	49.1%
	2020	£413.33	£370.00	10.84%
	2019	£434.88	£600.00	-37.96%
	2018	£829.89	£657.60	20.76%
Median bonus payment	2021	£500.00	£500.00	0.00%
	2020	£444.00	£370.00	16.66%
	2019	£300.00	£500.00	-66.66%
	2018	£750.00	£750.00	0%
Proportion who received a bonus	2021	6.78%	6.89%	
	2020	1.76%	1.75%	
	2019	14.45%	7.69%	
	2018	3.69%	10.87%	

3.1 Mean ethnicity pay gap

There is a 12.62% pay gap between the mean hourly rate for BAME employees and White British/Not declared employees on 31st March 2021. The Council's mean ethnicity pay gap has increased by 1.22% from 11.4% since 2018.

3.3 Median ethnicity pay gap

There is a 17.18% pay gap between the median hourly rate for BAME employees and White British/Not declared employees on 31st March 2021. The Council's median ethnicity pay gap has increased by 3.25% from 13.93% since 2018.

This figure is significantly higher than the 2019 national median ethnicity pay gap of 1.9%, and higher than the 2018 West Midlands median ethnicity pay gap of 9.5% (ONS).

3.3 **Bonus pay**

In terms of mean bonuses, those of BAME background earn less (£476.50) than White British/Not declared employees (£936.00). The gap is 49.1% in favour of White employees.

In terms of median bonuses, those of BAME background earn the same as White British/Not declared employees (£500) employees. The gap is 0% which is neutral.

4. **Proportion by pay band quartiles**

4.1 2020 – 2021 hourly rates within Warwick District Council range from £4.55 (apprentice rate) to £53.25.

4.2 Similarly to last year's figures the concentration of BAME employees is higher, however, in the bottom two pay quartiles, than the top two pay quartiles. The highest concentration of BAME employees is in the lower middle quartile at 16.67%.

4.2 Since March 2018, the percentage of BAME employees in the lower quartile has decreased by 0.71% (10.5% to 9.79%).

4.3 Since March 2018 the percentage of BAME employees in the upper quartile has increased by 1.06% (4.5% to 5.56%).

4.4 As a consequence the 'middle' BAME employee is in the lower middle quartile and the 'middle' White British/Not declared employee is in the upper middle quartile, which explains the reason for the median ethnicity pay gap. When dividing groups of employees into 4 quartiles the pay rates are shown below:

WDC Pay Quartiles by Ethnicity 31.3.21					
Quartile	BAME	%	Not declared & White British	%	Total
Lower Quartile £4.55 to £10.83	14	9.79%	129	90.21%	143
Lower Middle Quartile £10.83 to £13.21	24	16.67%	120	83.33%	144
Upper Middle Quartile £13.21 to £17.06	12	8.39%	131	91.61%	143
Upper Quartile £17.06 to £59.85	8	5.56%	136	94.44%	144

WDC Pay Quartiles by Ethnicity 31.3.20					
Quartile	BAME	%	Not declared & White British	%	Total
Lower Quartile £4.35 to £10.24	13	9.2%	128	90.8%	141
Lower Middle Quartile £10.24 to £11.88	22	15.5%	130	84.5%	142
Upper Middle Quartile £11.88 to £16.60	13	9.2%	129	91.8%	142
Upper Quartile £16.60 to £58.25	9	6.3%	133	93.7%	142

WDC Pay Quartiles by Ethnicity 31.3.19					
Quartile	BAME	%	Not declared & White British	%	Total
Lower Quartile £4.10 to £9.78	11	7.9%	112	92.1%	140
Lower Middle Quartile £9.78 to £11.61	19	13.6%	120	86.4%	139
Upper Middle Quartile £11.61 to £15.94	15	10.8%	123	89.8%	138
Upper Quartile £15.94 to £57.11	7	5%	133	95%	140

WDC Pay Quartiles by Ethnicity 31.3.18					
Quartile	BAME	%	Not declared & White British	%	Total
Lower Quartile £4.59 to £9.55	14	10.5%	120	89.5%	134
Lower Middle Quartile 9.72 to £11.74	14	10.5%	119	89.5%	133
Upper Middle Quartile £11.74 to £15.63	12	9%	121	91%	133
Upper Quartile £15.63 to £55.99	6	4.5%	127	95.5%	133

4.4 Quartile Pay Band Summary - In order for there to be no ethnicity pay gap, there would need to be an equal ratio of BAME to White British employees in each quartile.

4.3 The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

5.0 Summary of Ethnicity Pay Gap Data as at 31st March 2021

- 5.1 We will continue to work with the recommendations from the 'Task and Finish' group to support actions that address the ethnicity pay gap.

Appendix 2a

