Executive

Wednesday 12 March 2014

A meeting of the Executive will be held in the Town Hall, Royal Leamington Spa on Wednesday 12 March 2014, at 6.00pm.

Membership:

Councillor A Mobbs (Chair)

Councillor L Caborn	Councillor J Hammon
Councillor M Coker	Councillor D Shilton
Councillor S Cross	Councillor N Vincett
Councillor Mrs M Grainger	

Also attending (but not members of the Executive):

Independent Group Observer	Councillor MacKay
Labour Group Observer	Councillor Edwards
Liberal Democrat Group Observer	Councillor Boad
Chair of the Overview & Scrutiny Committee	Councillor Mrs Blacklock
Chair of the Finance & Audit Scrutiny Committee	Councillor Barrott

Agenda

1. **Emergency Procedure**

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

2. **Declarations of Interest**

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

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

Members are also reminded of the need to declare predetermination on any matter.

<u>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.</u>

3. **Minutes**

To confirm the minutes of the meeting held on 12 February 2014

(Item 3/Page 1)

PART 1

(Items which a decision by Council is required)

4. **Treasury Management Strategy Plan for 2014/2015**

   To consider a report from Finance **(Item 4/Page 1)**

PART 2

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

5. **Housing Strategy 2014-17 Delivery Plan**

   To consider a report from Housing Strategy **(Item 5/Page 1)**

6. **Hackney Carriage Fare Increase – Request from Drivers**

   To consider a report from Health and Community Protection **(Item 6/Page 1)**

7. **Corporate Property Repairs & Improvements Programme 2014/15**

   To consider a report from Housing & Property Services **(Item 7/Page 1)**

8. **Rural / Urban Capital Improvement Scheme Criteria**

   To consider a report from Finance **(Item 8/Page 1)**

9. **General Reports**

   (A) Rural / Urban Capital Improvement Scheme Application

   To receive a report from Finance **(Item 9A/Page 1)**

   (B) Discretionary Rate Relief

   To receive a report from Finance **(Item 9B/Page 1)**

   (C) Historic Buildings Grant Application Funding 2014/15

   To consider a report from Development Services **(Item 9C/Page 1)**

10. **Public and Press**

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

Item Nos.	Para Nos.	Reason
14	1	Information relating to an Individual
14	2	Information which is likely to reveal the identity of an individual
11, 12, 13, 14	3	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11. **Lillington Area Action Plan**

To consider a report from the Chief Executive **(Item 11/Page 1)**
(Not for Publication)

12. **Proposed Development, Warwick**

To consider a report from the Deputy Chief Executive (AJ) **(Item 12/Page 1)**
(Not for Publication)

13. **Housing and Property Services Contracts Update Report**

To consider a report from Housing and Property Services **(Item 13/Page 1)**
(Not for Publication)

14. **Use of Chief Executive's Delegated Powers**

To consider a report from Human Resources **(Item 14/Page 1)**
(Not for Publication)

Agenda published Monday 3 March 2014

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

Telephone: 01926 353362
Facsimile: 01926 456121
E-Mail: committee@warwickdc.gov.uk

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

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

Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 353362 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.

THE AGENDA IS AVAILABLE IN LARGE PRINT ON REQUEST, PRIOR TO THE MEETING.

EXECUTIVE

Minutes of the meeting held on Wednesday 12 February 2014 at the Town Hall, Royal Leamington Spa at 6.00 pm.

PRESENT: Councillor Mobbs (Chairman); Councillors Caborn, Coker, Cross, Mrs Grainger, Hammon, Shilton and Vincett.

ALSO PRESENT: Councillor Barrott (Chair of Finance & Audit Scrutiny Committee), Councillor Mrs Blacklock (Chair of Overview and Scrutiny Committee), Councillor Boad (Liberal Democrat Group Observer), Councillor Wilkinson (Labour Group Observer) and Councillor Williams.

127. **DECLARATIONS OF INTEREST**

Minute Number 138 – Agenda Item 13 – Car Parking National Bowls Championships

Councillor Caborn declared an interest because he was a member of Royal Leamington Spa Bowls Club.

Minute Number 140 – Agenda Item 15 – Future delivery of off-street parking enforcement

Councillors Caborn and Shilton declared pecuniary interests because they were Warwickshire County Councillors and left the meeting whilst the item was discussed.

Minute Number 151 – Agenda Item 20 – Call-In of Executive Item – Kenilworth Public Service Centre

Councillors Coker, Mobbs, Shilton and Vincett declared interests because they were Kenilworth Town Councillors.

128. **MINUTES**

The minutes of the meeting held on 8 January 2014 were agreed and signed by the Chairman as a correct record.

PART 1
(Items on which a decision by Council is required)

129. **ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL 2014-2015**

RECOMMENDED that

(1) Councillor Mrs Sawdon be nominated as Chairman of the Council for the municipal year 2014/2015; and

(2) Councillor Mrs Knight be nominated as Vice-Chairman of the Council for the municipal year 2014/2015.

130. **BUDGET 2014/15 AND COUNCIL TAX – REVENUE AND CAPITAL**

The Executive considered a report from Finance which updated members on the overall financial position of the Council. It included the latest position in respect of the 2013/14 General Fund Revenue Budget and the future implications of the proposed changes within.

For 2014/15 onwards, the report considered both the General Fund Revenue budget and the Capital Programme. The information contained within the report supported the recommendations to Council in respect of setting next year's budgets and the Council's level of Council Tax for 2014/15. It also updated members on the latest projections and assumptions in the Medium Term Financial Strategy, identifying the on-going savings required by 2018/19 and gave an update on the Council's Reserves and General Fund.

The Council was required to set a budget and council tax each year taking into account many factors including determining an authorised borrowing limit in accordance with The Local Government Act 2004, Section 3, agreeing prudential indicators and the Chief Financial Officer was required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves.

The report advised that by considering the 5 Year Medium Term Financial Strategy at the same time as the latest and next year's Budget, the Council had a full understanding of their implications on the long term implications.

The report was divided into sections which dealt individually with the 2013/14 Revenue Budget, the 2014/15 Revenue Budget, Government Grants, the 2014/15 Council Tax, 2014/15 Budget Surplus, New Homes Bonus, the Medium Term Financial Strategy, Reserves and Balances, General Fund and Housing Capital Programmes and Prudential Indicators.

In addition, each section was supported by coordinating appendices numbered 1 to 12.

No specific alternatives to the recommendations had been made, however, the information provided enabled Members to propose variations to the proposals.

Members had a duty to consider all possible options and the proposals in the report reflected the Portfolio Holder priorities and were reflected in the Fit For the Future programme.

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

Members noted that the recommendations had been incorrectly numbered in the report and accepted that the figure detailed in paragraph 3.5.4 of the report, should have read £49,836.88, as per the addendum circulated prior to the meeting.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to propose the recommendations as written.

RECOMMENDED that

(1) the 2013/14 latest General Fund Revenue Estimate of net expenditure, including the proposed adjustments in section 3.2, at £16.4m, after the projected £661,000 surplus has been appropriated, as summarised in Appendix 1, be agreed;

(2) the £40,000 previously agreed be slipped to improve the open space in the vicinity of the old gasworks/fire station site in Warwick from 2013/14 to 2014/15 by way of the Earmarked Reserve;

(3) the 2013/14 projected surplus of £661,000 is allocated to:-

- Early Retirement Reserve £200,000
- Equipment Renewal Reserve £200,000
- Corporate Assets Reserve £261,000 (subject to recommendation 2.4)

(4) a new Corporate Assets Reserve be established and the Sports & Culture Facility Reserve be closed and its balance of £300,000 be transferred to this new Reserve;

(5) should there be further requests for funding for 2013/14 or 2014/15 which have not been accommodated within this report, either within other reports on this Agenda, or before the financial year end which are not significant in terms of the Council's overall Budget, the funding for these will need to be addressed as part of the Final Accounts report in June ;

(6) the changes to the latest 2014/15 General Fund revenue budgets below and with net expenditure of £16.0m after the appropriations in recommendation 2.6 below, be agreed as summarised in Appendix 1 to the report:-

a) the creation of £200,000 Contingency Budget for 2014/15;

b) the two Senior Project Co-Ordinator Posts being extended to March 2016, subject to the agreement of the Employment Committee, and the additional non-recurrent costs £79,000 be built into the 2014/15 budget and£103,400 being factored into the Medium Term Financial Strategy for 2015/16;

c) the extension to the 2 Organisational Development Posts for a further 2 years to 31 March 2016, subject to the agreement of the Employment committee, being financed from the earmarking of £19,000 salary underspend in 2013/14 and re-phasing of Service Transformation Reserve contributions;

d) £10,000 Health and Well Being Budget being built into the 2014/15 Budget on a recurrent basis;

e) the new Private Sector Housing fees and charges, including Houses in Multiple Occupation, applicable from 1 April 2014 as set out in Appendix 3, and associated income budget of £75,000;

f) £75,000 one-off budget being included for costs associated with complying with Payment Card Industry Data Security Standards (PCI DSS);

g) £50,000 one-off budget to support Employment Initiatives, with consideration of this within a forthcoming report on the prosperity agenda;

h) £30,000 (part year) effect of the introduction of the National Living Wage from October 2014, with full £60,000 per year being factored into the Medium Term Financial Strategy thereafter, subject to the agreement of the Employment Committee;

i) £15,000 one off funding to Coventry and Warwickshire Local Enterprise Partnership;

j) £10,500 to increase Community Forum Grant funding (£1,500 per Forum) in view of potential requests for funding in respect of World War One commemorations;

(7) the Council's share of the Collection Fund Surplus for 2013/14, £142,000, is utilised as part of General Fund 2014/15 financing;

(8) the Grant Settlement for 2014/15 is noted and should there be a non-material change to the final grant settlement for 2014/15 when the announcement is made, this would be accommodated within the Contingency Budget in 2014/15;

(9) the Council Tax of a Band D property for Warwick District Council for 2014/15 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner

precepts is agreed by Council at £146.86, representing a zero increase on 2013/14;

(10) the Council Tax charges for Warwick District Council for 2014/15 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows:-

Band	2014/15
A	£97.91
B	£114.22
C	£130.54
D	£146.86
E	£179.50
F	£212.13
G	£244.77
H	£293.72

(11) the 2014/15 projected surplus of £238,500 is allocated to the Corporate Assets Reserve;

(12) the Statement of New Homes Bonus Use within Appendix 11 of the report is agreed and the New Homes Bonus allocation due for 2014/15 of £1,221,765 (Provisional), is noted, of which £59,000 will be allocated to the W2 (Waterloo/Warwick District Council) Joint Venture and £24,000 to Coventry and Warwickshire City Deal, and the balance of £1,139,000 is appropriated as follows:

- Corporate Assets Reserve £539,000
- Public Amenities Reserve £300,000
- Planning Reserve £300,000;

(13) the changes to the financial projections be agreed and the significant future forecast deficit, currently estimated to rise to over £1.04m by 2018/19 on net expenditure of £16m is noted, and that further on-going savings/ increased income of this amount must be secured in order for the authority to be able to set balanced budgets in the future without impacting on the range and quality of services provided;

(14) the latest schedule in respect of the Equipment Renewal Reserve (£4.180 million required by 2026/27) is agreed and this Reserve, estimated to have an unallocated balance of £1.458m as at the 1st April 2014, will be exhausted during 2017/18 should all the indicated projected requests be fully funded;

(15) a new Biodiversity Contributions Reserve be established with authority to spend from this reserve delegated to the Head of Neighbourhood Services in agreement with the Head of Finance;

(16) the General Fund Capital Programme and the Housing Investment Programme, together with their financing, are agreed;

(17) the Fen End highways improvements scheme, funded by way of Government Grant of £559,000 is included within the Capital Programme;

(18) the loan to Warwick Town Council is extended so as to be repaid by 30 September 2014;

(19) the Prudential indicators are agreed as shown within Appendix 10 and the annual adoption of the Code of Practice, are approved and endorsed;

(20) if there is any future mismatch between the proposed General Fund budgets and subsidiary strategies and action plans, officers would bring forward proposals for managing service provision within the agreed budgets;

(21) the risks that may impact upon the Council's financial position and the mitigations and controls in place to manage these risks, are noted; and

(22) the updated Financial Strategy as set out in Appendix 12, is agreed.

(The Portfolio Holder for this item was Councillor Mobbs)
(Forward Plan reference 536)

131. **HOUSING REVENUE ACCOUNT BUDGET 2014/15 AND HOUSING RENTS**

The Executive considered a report from Finance which presented the latest Housing Revenue Account (HRA) budgets in respect of 2013/14 and 2014/15.

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

The report recommended that housing dwelling rents for 2014/15 be increased by an average of 3.7% which would allow the provision of new homes and remain affordable within the Housing Business Plan without compromising service quality.

A further recommendation was that void homes be moved to capped formula social rent when re-let. Not moving vacant homes to social formula rent would significantly reduce Business Plan resources, by approximately £160m over 50 years. Capped Formula rent was on average 7.3% (£6.43) higher than the proposed 2014/15 rents and further details were included in Appendix 1 to the report.

Garage rent increases were not governed by the guidance for rent restructuring, therefore any increase could be considered. The recommendation was that garage rents for 2014/15 should be increased by 3.7%.

Finally, the 2014/15 Supporting People charges for Housing tenants receiving housing related support was recommended to be increased by 1%, the 2014/15 weekly Lifeline charges for clients was recommended to be increased by 25p and the latest 2013/14 and 2014/15 Housing Revenue Account (HRA) budgets, required approval, as set out in Appendix 3 to the report.

There were a number of alternative options detailed in section 6 of the report including alternative housing rent increases, not increasing the rents when a property became void and alternative garage rent increases, Lifeline and Supporting People charges. Each alternative was followed by an explanation as to the consequences it would have and why it had been discounted.

The Finance & Audit Scrutiny Committee supported the recommendations, except to put forward an alternative to recommendation 2.2 as detailed below, which the Committee suggested as an incentive to encourage tenants to downsize.

Finance & Audit Scrutiny Committee recommended an alternative to recommendation 2.2 to read 'that if an existing District Council tenant transfers to a void property, the tenant should still be eligible for their current level of rent and not the capped formula ('target') social rent.'

In response, the Portfolio Holder, Councillor Vincett felt that this could result in a two tier rent system and the Council may have to advertise properties at two different rent levels.
Councillor Vincett advised Members that Housing and Property Services were in the process of revisiting their policies, including their Tenants Incentive Grant Scheme and assured Members that their suggestions and concerns would be taken on board during the review. He stated that he would report back to the Executive in May 2014 and update them on the revised policies. Whilst he understood The Finance and Audit Committees concerns, he did not feel that the recommendation would incentivise tenants any more than the existing Tenant Incentive Grant scheme and the monetary assistance already available.

Councillor Vincett, therefore, requested that the proposed recommendation be rejected because it could potentially complicate the administration process and increase the risk of the incorrect rent being charged or housing benefit being applied.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to propose the recommendations as written.

RECOMMENDED that

(1) housing dwelling rents for 2014/15 be increased by an average of 3.7%;

(2) void homes are moved to capped formula ('target') social rent when re-let;

(3) garage rents for 2014/15 be increased by 3.7%;

(4) 2014/15 Supporting People charges for Housing tenants receiving housing related support be increased by 1%;

(5) 2014/15 weekly Lifeline charges for clients be increased by 25p; and

(6) the latest 2013/14 and 2014/15 Housing Revenue Account (HRA) budgets, as set out in Appendix 3 to the report, be agreed.

(The Portfolio Holders for this item were Councillors Mobbs and Vincett)
(Forward Plan reference 537)

132. **HEATING, LIGHTING AND WATER CHARGES 2014/15 – COUNCIL TENANTS**

The Executive considered a report from Finance which set out the proposed recharges to council housing tenants for 2014/15, for the provision of communal heating, lighting and water supply.

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

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

In February 2013 the increase required to meet projected Heating & Lighting costs was felt unaffordable for tenants, so Members agreed to implement a lower increase and aim to fully recover costs within 5 year. Due to environmental measures taken, credits received and lower than expected price rises the proposed charges for three sites were able to meet costs with a decrease or modest increase in charges.

The report recommended that the heating, lighting, water and miscellaneous charges for the rent year commencing 6 April 2014, attached as appendices 1 and 2 to the report, be agreed.

One alternative option, if Members felt that any proposed charges were thought to be unaffordable for tenants, charges could be set at any level between no increase and the proposed charges.

For those Heating/Lighting charges which had been set below the level necessary to recover the full cost, a higher charge could be set to better reflect the costs, however, this could make the increase unaffordable for tenants.

The final alternative was that charges could be set above the real costs of recovery. This would mean tenants of these schemes would have no choice but to pay above the real cost of these utilities, as the communal nature of these services meant they could not choose their own energy suppliers. However, officers were mindful that this would not be fair to the tenants.

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

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to propose the recommendations as written.

RECOMMENDED that the revised recharges for Council tenants relating to heating, lighting, water and miscellaneous charges for the rent year commencing 6 April 2014, as set out in Appendix 1 & Appendix 2 to the report, be agreed.

(The Portfolio Holders for this item were Councillors Mobbs and Vincett)
(Forward Plan reference 538)

PART 2
(Items on which a decision by Council is not required)

133. **CALL-IN OF EXECUTIVE ITEM – ASSETS REVIEW**

The Executive considered a report from Civic and Committee Services following the Call-in of the Assets Review report, which had been considered at the Executive meeting on 11 December 2013. The decision was called into the Overview and Scrutiny Committee for consideration and subsequently referred to Council on 22 January 2014.

The decision had been called in by Councillors Boad, Copping, Gifford, Mrs Goode and Wreford-Bush because they felt that the Royal Pump Rooms was at the heart of the cultural heritage of Royal Leamington Spa; the building was extensively refurbished as an Art Gallery, Museum and Library in 1997-1998 at public expense in excess of £7 million. They considered that the maintenance of full and free public access must be a condition in any market testing of its commercial potential that was undertaken, and not to be considered as an afterthought.

At the Council meeting in January 2014 Members debated the proposals and referred it back to Executive for consideration without any comments. The report advised that the vote for this item was recorded and was detailed within the Council minutes. However, the motion was won by 20 votes to 19 with no abstentions.

The report advised that the Executive now had the option of either confirming or amending the original decision made on 11 December 2013.

There were no alternative options available because the Call In of a decision required that a set procedure be followed.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree recommendation 2.1(i) and

RESOLVED that the decision made by the Executive on 11 December 2013 , be confirmed.

(Forward Plan reference number 549)

134. **ASSETS REVIEW – UPDATE REPORT**

The Executive considered a report from the Deputy Chief Executive and Head of Finance which updated Members on the Assets Review report considered by Executive in December 2013. That report had been the subject of a call-in to Council on 22 January 2014, primarily in respect of a specific recommendation to 'market test the commercial potential for alternative usage(s) of the Royal Pump Rooms', the outcome of which was reported in Minute Number 133, detailed above.

However, another recommendation was for Members to note that the overall funding strategy for the Council's assets would be considered as part of the Budget Setting report in February 2014. Officers had subsequently reviewed this recommendation and determined that the funding strategy warranted a separate discussion and report.

The December 2013 Assets Review report considered the future maintenance liabilities of all the Council's existing assets, other than those owned by, or assigned to, the Housing Revenue Account (HRA) and therefore considered within the HRA Business Plan. The December report also identified a funding shortfall on the maintenance liabilities for the current asset base along with the Play Area and Green Space Strategies, which were fundamentally linked to the open space category of assets.

This report requested that details of the Asset Review work would be included in the March Corporate Property Repairs and Improvement Programme report alongside funding explanations.

Approval was also recommended, to undertake detailed feasibility studies on the potential merits of selective land disposals at the sites listed in appendix one to the report and of selective non-operational property disposals, as set out in appendix two, to the report.

Officers advised that further reports would be received over the course of the 2014/15 financial year, as the studies were completed. This would allow informed decisions to be made on potential disposals, retentions, alternative uses and investment opportunities.

The alternative options was to determine a funding strategy for the full 30 year period but this was deemed to be premature, given the need to assess the outcome of the detailed feasibility studies proposed in the report.

The Overview and Scrutiny Committee had concerns on how the conclusions were reached as shown in Appendix 1 of the report and questioned the criteria for how the Council was prioritising the assets. It was felt that the use of Ward Boundaries gave a false impression. Following the Overview and Scrutiny meeting, Members had received an explanation from the Deputy Chief Executive (BH) which clarified their questions.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) details of the Asset Review work to be funded in 2014/15 be included in the March Corporate Property Repairs and Improvement Programme report, together with request to release funding for this work from the Corporate Asset Reserve;

(2) detailed feasibility studies are undertaken on the potential merits of selective land disposals at the sites listed in appendix 1 to the report, and that a review of further options relating to land holdings is undertaken;

(3) detailed feasibility studies are undertaken on the potential merits of selective non-operational property disposals, as set out in appendix 2 to the report, and that property specific business cases for investment expenditure to enhance the revenue potential of individual non-operational assets are developed; and

(4) further reports will be received over the course of the financial year 2014/15 as these studies are completed, allowing informed decisions to be made on potential disposals, retentions, alternative uses and investment opportunities, in order to allow the development of a long term funding strategy for subsequent years as part of the 2015/16 budget setting process.

(The Portfolio Holders for this item were Councillors Coker, Cross, Hammon, Mobbs and Shilton)

135. **GYPSY & TRAVELLERS PREFERRED OPTIONS FOR SITES CONSULTATION**

The Executive considered a report from Development Services which informed Members of the results of the 'Options' consultation for the Gypsy and Travellers Site Options and the steps required to progress this work to the next stage of its preparation.

The report also requested approval to carry out a consultation on a Preferred Options for Sites paper.

In June 2013, a report was brought to the Executive requesting approval for officers to undertake public consultation on the 'Gypsy and Traveller Site Options'. The report was approved and the consultation was subsequently carried out between 14 June and 29 July 2013.

The results of the consultation had been summarised and attached to the report as appendix 1. The main issues raised through the consultation included a high proportion of respondents in opposition to site GT02 (and associated with that site, GT03 and GT04) and a total of around 3500 responses had been received to this consultation alone.

Officers had, in response, produced a Preferred Options document, reducing the number of sites and areas of search to those which were more likely to meet the criteria in the emerging Local Plan policy. This had required a considerable amount of work on site assessment, not only of the 20 sites and areas of search suggested in the Options consultation paper, but also of the 24 additional sites suggested during the consultation by respondents. The sites assessment paper was attached at appendix 2 to the report.

A Preferred Options Consultation Paper had been produced which proposed five Preferred Option sites and a 'reserve list' of a further eight potential sites that could be considered, should any of the Preferred Option sites not progress or the public consultation demonstrated clear reasons why any of these sites were preferable to any of the Preferred Option sites. Once the consultation was complete, and firm proposals could be drawn up for Gypsy and Traveller sites, a separate Site Allocation Development Plan would be prepared and would be the subject of a further round of consultation before submission to the Secretary of State for examination by a Planning Inspector.

The report also advised Members that where landowners did not agree to make their land available for sale, the District Council could use its powers of compulsory purchase to bring the site forward.

An alternative option would be to not allocate sites for Gypsies and Travellers, but this would be contrary to national policy and the Local Plan would be found unsound without a commitment to meeting the need demonstrated in the Gypsies and Traveller Accommodation Needs Assessment.

A second alternative would be not to use powers of Compulsory Purchase to bring sites forward, but this could risk the Council not being able to meet its responsibilities in terms of pitch provision and failing to meet its duties under the terms of the Housing Act to provide residential accommodation for its communities. This could result in more un-authorised encampments in the District with the associated costly and lengthy legal and enforcement procedures.

The Scrutiny Committees did not discuss this item at their meetings and therefore provided no comments or recommendations to the Executive.

Members thanked officers for the excellent presentation given on Monday evening and for answering their questions. Councillor Mrs Blacklock, Chair of Overview and Scrutiny Committee, requested that thanks be extended to all officers involved in bringing this report forward, particularly Senior Planner, Lorna Coldicott.

The Leader, Councillor Mobbs, reminded Members that this paper was about consultation and needed to be brought forward as part of the Local Plan.

Councillor Mobbs did, however, voice concerns about site GT02, one of the eight 'reserve list' sites and the impact that this could have on the existing unique business sited nearby. Members discussed the possibility of reviewing the classification of the site but were mindful that this could lead to the need to consider potential reclassifications of other sites and potentially to significant delays in the timetable.

After lengthy discussion it was agreed that, should there be a need to consider any of the reserve sites as a result of the outcomes of the Preferred Options consultation, prior to any final decision the Head of Development Services, in consultation with the Portfolio Holder for Development Services, the Portfolio Holder lead for the Local Plan and the Group Leaders, should consider a review of the sites with specific regard to the potential impact on existing unique businesses.

Councillor Hammon stated that concerns relating to the classification of sites should be identifiable in the consultation responses and felt that the document should be sent out for consultation as proposed.

Concerns were also raised regarding the potential use of Compulsory Purchase Order powers. However, Members felt that the intention was that such powers should only be used as a last resort as highlighted in the report. The Executive was mindful that the Council had to show its intent to deliver the requested sites and noted the risks if the Council was unable to meet its responsibilities.

Having read the report and having debated the issues the Executive decided to agree the recommendations as written and approve a further consultation on the Preferred Options.

RESOLVED that

(1) the results of the public consultation on the 'Options' for Gypsy and Traveller Sites attached at appendix 1to the report, be noted;

(2) the Preferred Options as set out in appendix 2 to the report, be agreed and that this forms the basis of a 6 week period of consultation commencing no later than 28th February 2014; and

(3) the Executive commits in principle to invoke its use of Compulsory Purchase Powers ensure delivery in the event that an insufficient number of sites set out in PO1 and PO2 come forward with the support of the landowners, to ensure that pitch required numbers are delivered.

(The Portfolio Holder for this item was Councillor Hammon)
(Forward Plan reference number 583)

136. **PEER CHALLENGE IMPROVEMENT PLAN UPDATE**

The Executive considered a report from the Deputy Chief Executive (AJ) which updated Members on the progress against the Peer Challenge Improvement Plan, recommended that the Council participates in further Peer Challenges and highlighted opportunities available to the political leadership to help them fulfil their respective roles effectively.

In July 2012, the Council participated in a Local Government Association Peer Challenge and the findings were reported along with an Improvement Plan to Executive in October 2012. Appendix A detailed the Council's progress against the 'Areas for Consideration' as identified in the Improvement Plan. Officers considered that, by-and-large, progress over the last eighteen months had been good although there were two areas where work was still required.

The report reminded Members that when adopting the FFF programme, they had agreed that the Council should focus on three strands of work: Saving money/increasing income; maintaining/improving services; and bringing about cultural change. Whilst progress on the first two strands had been very positive, changing the Council's culture has been more difficult.

Consequently, throughout the autumn of 2013, officers had undertaken a number of initiatives to sharpen the cultural change message. These were detailed in paragraph 3.3 of the report.

The second area for further work was reporting of corporate and service performance. Currently Members received service performance on a half yearly basis although Portfolio Holders and their Shadows regularly met with Service Heads to discuss issues. It was recognised that Members should receive more timely information, not just about service performance but also corporate health measures. It was therefore recommended that this information was published on-line on a monthly basis.

The report also informed Members about the 2013 Growth Workshop which had been attended by officers and Members as well as about future events such as the Peer challenge in July 2014 and further workshops for all Council Members. The LGA had also developed a number of services included the Leadership Academy and one to one mentoring, full details of which were outlined in paragraphs 3.8 and 3.9.

No alternative options had been considered because it was considered essential that the Council responded to the changing economic and policy context and ensured that it improved continuously.

The Finance & Audit Scrutiny Committee supported the recommendations in the report. Councillor Barrott felt that there were training details involved that the Member Development Group should take on board.

The Overview and Scrutiny Committee felt that the Leader of the Council should encourage people to participate. The Committee welcomed recommendation 2.4 and making available £8,000 for mentoring support providing it would be available for all councillors to take part. The Committee was pleased with the efforts to provide information to other councillors.

Members applauded the mentoring facility stating that it was a valuable tool which all Members should consider taking advantage of.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) progress against Warwick District Council's (WDC) Peer Challenge A*reas for Consideration* as detailed in the Improvement Plan at Appendix A to the report, be noted;

(2) the Council's corporate and service performance and measures be published on-line each month;

(3) the Council participates in a more limited follow-up Peer Challenge in July 2014 (1-day), with a further full Peer Challenge to assist the new Council in July 2015 and officers be asked to make arrangements for a Growth Workshop to be provided for all Members; and

(4) £8,000 be made available from the Contingency Budget to enable the political leadership of the

Council to benefit from mentoring support provided by Local Government Association (LGA) sanctioned peers.

(The Portfolio Holders for this item were Councillors Caborn and Mobbs)
(Forward Plan reference number 526)

137. **2ND WARWICK SEA SCOUTS' HEADQUARTERS**

The Executive considered a report from the Deputy Chief Executive (AJ) which requested landlord's permission for the development of new facilities in St Nicholas Park by 2nd Warwick Sea Scouts (2WSS).

Almost 10 years ago, 2WSS approached the Council explaining that their current headquarters building was nearing the end of its serviceable life and needed replacement. Furthermore, the existing building no longer met the Scouts' needs either in terms of current members/ activities or to meet future demands evidenced by the size of their longstanding waiting list.

After several years of debate, the current proposal had emerged as the most acceptable compromise between officers and scout leaders.

The proposal included the construction of a new headquarters building, adjacent to the leisure centre on the site of the current skate park and re-development of their current riverside site. This would provide a new building for storage and changing facilities, alongside a boatyard. Illustrative plans were attached at appendices A and B to the report.

The proposal would also result I the club's withdrawal from the sailing club site in Myton Fields and the re-instatement of the area as park land, as per the site plan at appendix C to the report.

Agreement was also required to relocate the current skate park and remodel the BMX track on the site of the current BMX area. The Scouts were mindful that they would need to make a contribution towards the cost of these relocations.

Finally, the report asked Members to confirm a grant of £50,000 be made available to 2WSS in support of the project.

The alternative options were detailed in section 6 of the report and included alternative sites at Edmondscote, building on the existing site and using sites away from the park and riverside. However, these had been rejected due to a lack of access to resources and insufficient water volumes on other stretches of the river.

As landlord of the scouts' existing facilities, the Council had no obligation to help them bring forward these expansion plans. However, if Members chose not to co-operate and make new land and leases available, it could result in a missed opportunity to help secure the future of this popular and well run youth organisation.

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

The Overview and Scrutiny Committee was broadly in favour of the recommendations but felt that great care must be taken with the proposals at planning applications stage. The Committee suggested that the Sea Scouts might consider approaching Severn Trent to move the pipe and to pay for the hut.

Mr N Pitchford, a scout leader addressed Members on behalf of the 2nd Warwick Sea Scouts. He advised that the troop had been on this site for nearly 50 years and over that time, demand for membership had increased. The troop currently had 200 members aged between 6 to 18 years old, with a waiting list of 150 people. The troop now needed a building that was fit for purpose and could offer a safe and convenient location near the water.

Members were full of praise for the organisation and the smartness and manner in which they presented themselves through the District. It was hoped that better facilities would encourage even more families to get involved.

Councillor MacKay fully supported the report and reminded Members that this troop had a very high reputation, following inspections carried out by Senior Royal Naval inspectors.

Members were mindful of a letter from the Warwickshire Gardens Trust prior to the meeting and hoped that some of the concerns could be taken on board.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) landlord's permission be granted for the development of new facilities in St Nicholas park by 2nd Warwick Sea Scouts, comprising of:

a) construction of a new HQ building by 2WSS adjacent to the leisure centre on the site of the current skate park;
b) re-development of their current riverside site to provide a new building for equipment storage and changing facilities, alongside a boat yard; and
c) withdrawal from the sailing club site in Myton Fields and re-instatement of the area as park land;

(2) the re-location of the current skate park and re-modelling of the BMX track on the site of the current BMX area, is agreed. The Scouts are aware that they will need to make a contribution towards the cost of these relocations; and

(3) a grant of £50,000 be made available to 2WSS in support of this project.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference number 566)

138. **CAR PARKING – NATIONAL BOWLS CHAMPIONSHIPS**

The Executive considered a report from Cultural Services which set out the recommendations arising from an options appraisal for car parking required in association with the annual Men's and Women's National Bowls Championships that would take place in Leamington Spa each year in August.

Over the last 9 months, following local residents' concerns about vehicles and caravans in Victoria Park, officers had been investigating alternative car parking options and alternative caravan provision for the Nationals. A local residents' group, the Friends of Victoria Park (FoVP), formally raised their concerns to officers in May 2013, which included that the extended event would render the park "closed" to other users for 30 days during the school holidays due to the space taken up by vehicles and the perceived "unsafe mix" of cars, caravans and pedestrians.

The report outlined the preferred option and how this was the most objectively beneficial option in terms of delivering the Council's agreement with Bowls England, financing the ancillary costs of the event, and reducing the impact on Victoria Park for the benefit of park users and residents. The preferred option was detailed as '1a' and a full description was given in paragraph 3.1 of Appendix 3 to the report.

The report also addressed the charging regime to be applied and confirmed that caravans would no longer be located in Victoria Park during this event.

In undertaking the review of parking options, officers had considered a number of alternative sites. If Option 1a was not to be progressed, then full details on the alternative options were contained in Appendices 3 and 4. Given that the proposal to Bowls England included on-site parking for up to 350 cars during the Championships, and as such was a significant factor in the decision made by Bowls England to relocate the Championships and their HQ to Royal Leamington Spa, there was a risk of legal challenge should the Council be unable to offer appropriate and acceptable car parking for the event.

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

The Overview and Scrutiny Committee recommended that recommendation 2.7 be highlighted for importance. The Committee recognised that this year's event was in the nature of a trial and recommended that the review report was produced by the end of the year based on similar lines to the last Bowls event review. It also recommended that the Friends of Victoria Park were consulted, along with local residents and users of the park as part of the review process.

Mr Adams addressed the Executive, representing the Friends of Victoria Park. He stated that although securing the championships had been a good thing, he did not feel that enough consultation had taken place before any proposals had been submitted to Bowls England. Mr Adams outlined concerns regarding car parking and the continuous disruption not only to residents but to other events that were often held in the park.

In response, the Portfolio Holder for Cultural Services, Councillor Cross advised that ample consultation had taken place with households and residents had been regularly contacted and their concerns taken on board. He reminded Members of the economic boost that the championships already brought to the District, with many players and their supporters returning year after year. With regard to the car parking issues, Councillor Cross highlighted that the parking area would be reduced by nearly half that used in previous years. He also supported officers investigating further car parking proposals as suggested by the Finance and Audit Scrutiny Committee.

In response to the recommendation from Overview and Scrutiny Committee, Councillor Cross was happy to amend the wording of recommendation 2.7 to make it more robust but highlighted that this would be a review of the 2014 event with the findings and lessons learned being reported to the Executive in January 2015.

The Leader Councillor Mobbs, advised Members that as of 11 February 2014, planning permission had been granted to allow the siting of caravans at Old Leamingtonians Rugby Club, during the course of the Championships.

Councillor Mobbs also requested that the recommendation proposed by Finance and Audit Scrutiny committee in relation to item 14 on the agenda (Economic Development Action Plan – Bowls Championships) should be transferred to this item. The comment had read as follows:

"The Finance & Audit Scrutiny Committee supported the recommendations in the report and suggested that officers consider looking at how the Council could incentivise use of Covent Garden Car Park in some way, perhaps by offering a free car park ticket in a leaflet to be distributed on the first day of the championships, or by including a free ticket in the championship programme."

This was accepted by Councillor Barrott and the Executive agreed to include an additional condition requesting that officers investigate initiatives to aid dispersal of Championship traffic.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations, with amended wording to recommendation 2.7 and an additional condition regarding further initiatives.

The Executive thanked the Friends of Victoria Park for their emails and comments and for attending the meeting.

RESOLVED that

(1) option 1a is approved for car parking during the annual National Bowls Championships from 2014 onwards for a period of 28 days each year;

(2) a preferred daily charge of £5 per car is approved and that this figure is reviewed each year as part of Fees and Charges;

(3) future years financial implications are reflected in the Medium Term Financial Strategy;

(4) a maximum of £10,000 is allocated from the 2014/15 Contingency Budget to allow purchase of items of equipment to support the safe management of events; e.g. temporary road crossings, barriers and signs;

(5) a further report is brought outlining plans/costs for the improvement of the "old tennis courts" to add to the parking provision at Victoria Park;

(6) in agreement with Bowls England, caravans are no longer being sited on Victoria Park in accordance with the wishes of local residents and park users;

(7) a review of all aspects of the event in 2014 is undertaken and that the findings and lessons learned are reported to the Executive by the end of January 2015; and

(8) officers will investigate initiatives that can aid car parking dispersal with specific reference to the usage of Covent Garden Car Park.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference number 564)

139. **ECONOMIC DEVELOPMENT ACTION PLAN – NATIONAL BOWLS CHAMPIONSHIPS**

The Executive considered a report from Development Services which summarised the actions being taken to maximise the economic impact of the Bowls England Championships taking place in Royal Leamington Spa from 2014 onwards.

An action plan had been developed in conjunction with colleagues in Cultural Services, Bowls England and BID Leamington and this was attached as appendix one to the report. The Economic Development & Regeneration (ED&R) team had also been working with Shakespeare's England Ltd on specific items, including the promotion of the Bowls and the towns further afield.

The report advised that the action plan was split broadly into four areas, each forming part of the "visitor journey". These were explained in more detail in paragraph 3.2 of the report.

There were insufficient financial resources within either the ED&R budget or the Tourism budget for one off items of expenditure such as items detailed in paragraph 1.4 and 2.3 of the report. However, releasing £5,000 from the Tourism Reserve would allow an investment in capital items that could be re-used year on year, subject to them being adequately looked after.

An alternative option was to not carry out any promotional works but this would be counterproductive and would not maximise the benefits of the additional potential expenditure within the District. It would also be counter to the Bowls England agreement.

Another alternative was to outsource the work to another organisation, however, officers felt that the best way to maximise the impacts and spread the benefits was to use the partnerships and expertise the Council already had at their disposal. The costs of delivering the outsourced works would also be higher.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and suggested that officers consider looking at how the Council could incentivise use of Covent Garden Car Park in some way, perhaps by offering a free car park ticket in a leaflet to be distributed on the first day of the championships, or by including a free ticket in the championship programme.

As detailed in minute 138, the above recommendation was applied to the Car Parking – National Bowls Championship report instead but the Committees supported was noted.

Members were fully supportive of the action plan and hopeful of the economic benefit across the District.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) the proposed Action Plan, at appendix 1 to the report, which is designed to deliver maximum economic impact from the bowls and measure its effectiveness, is agreed;

(2) the release of £5,000 from the tourism reserve is authorised and authority is delegated to the ED&R manager in conjunction with the Portfolio Holder for Development Services to spend, as set out in the attached action plan items; and

(3) a further report on impacts be brought to the Executive in late 2014.

(The Portfolio Holder for this item was Councillor Hammon)
(Forward Plan reference number 564)

140. **FUTURE DELIVERY OF OFF-STREET PARKING ENFORCEMENT**

The Executive considered a report from Neighbourhood Services which informed Members that Warwickshire County Council would be externalising their on-street parking enforcement from 1 November 2014. As a result Warwick District Council needed to decide if it wished to include in the tender document being produced by the County Council, the enforcement of its own off-street car parks.

The report advised that in 2007 WDC entered into a partnership agreement with WCC regarding the enforcement of on and off-street parking regulations. That agreement allowed for all of the costs of delivering the service that were included in the "shared account" to be paid for on the basis of the % of PCN income generated. As a result since 2009 WCC has paid over 80% of those shared costs and WDC the remainder.

Those arrangements would cease in November 2014 when WCC was due to externalise on-street enforcement. Whilst the costs to be paid by WDC and WCC would be adjusted to reflect the new operational costs associated with delivering separate on and off-street enforcement, all the support services costs would be paid for by WDC.

Officers looked at the likely impact of operating separate on and off-street enforcement in June 2013. At the time it was calculated that this would have a negative impact on the budget and £212k was included in the Medium Term Financial Strategy to allow for this.

Those figures had now been reviewed and based on WDC operating our own off-street enforcement, it was expected that the expenditure of running the off-street service from November 2014 would be £2,163k for a full year. This was based on operating with one parking supervisor, seven enforcement staff and one member of staff in the back office to enforce the off-street car parks located across the District.

An alternative option was to include a section within the tender that WCC was putting together, for off street parking enforcement. However, this had been rejected on the basis that the on-street tender being put together by WCC did not include the requirements that WDC would wish to include in any tender. There was also a lack of detail as to how day to day enforcement would be managed.

The Finance & Audit Scrutiny Committee supported the recommendations in the report and thanked the officers for attending their meeting and answering their questions. Councillor Barrott did raise concerns about the impact that this would have on the residents of the District.

The Leader, Councillor Mobbs, advised that there would be a report submitted in May 2014 highlighting the staffing changes. However, Councillor Mobbs requested that a note be added to ensure that when the Council informed the County Council of the decision, there was clarity about the changeover arrangements, especially with regard to TUPE to protect the Council's staff.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) Warwick District Council undertakes the enforcement of its own off-street car parks from 1 November 2014;

(2) the process to be followed to allow the Council to operate its own off-street parking enforcement, as set out in appendix 1 to the report, be agreed; and

(3) Warwickshire County Council be informed of the decision to operate our own off-street enforcement from November 2014.

(The Portfolio Holder for this item was Councillor Shilton)
(Forward Plan reference number 486)

141. **PUBLIC SERVICE NETWORK (PSN) COMPLIANCE**

The Executive considered a report from Civic and Committee Services and IT which provided an update on the recent changes to Public Services Network (PSN) compliance and, specifically, its impact on the Council's ICT Strategy, including agile working and business continuity.

The report also brought forward proposals to minimise the impact of changes to the PSN on Councillors.

In 2008 the Council was required to join the Government Connect Secure Extranet (GCSx), which was part of the wider Government Secure intranet (GSi), and was the forerunner to the Public Services Network.

The report advised that the Public Service Network (PSN) was fundamental to the delivery of the government's vision of 'joined-up' government services. The Council was already reliant on the PSN and its connection to central government for the delivery of the Housing Benefits service. It would also be required for the Elections service, following the introduction of Individual Electoral Registration.

Unfortunately the levels of security required to protect the PSN and central government from foreign national powers was far in excess of the security required to protect a District Council from its potential threats and for the data it controlled.

In April 2013, the Council submitted its first PSN Code of Connection and was successful in meeting the higher threshold for security compliance. However, after obtaining compliance, the Cabinet Office changed the compliance rules in one fundamental area, 'unmanaged endpoints', and withdrew the Council's compliance certificate in October 2013.

In reality, this meant that Warwick DC staff and members could not use personal devices to connect to the Council's network unless; the device was wiped clean and reset to factory defaults by the local authority; the local authority software was then installed; the antivirus and software updates were enabled; and the device was then 'locked-down' to prevent the user from altering the security settings and from introducing any new software.

Previously, the Senior Management Team had approved the implementation Good Technology as a means of securing email on a personal device. At present 12 officers and 17 members used Good Technology to access Council email securely.

Unfortunately, the Communications Electronic Security Group (CESG), which formed part of GCHQ and advised the Cabinet Office, took a more fundamental view to security and, although the 'Good' email was in a secure container, they were concerned that if the device was compromised, this may provide a backdoor into secure information. On this basis the device itself must be managed by the Council, even if Good was installed.

The report requested approval for a trial period the introduction of either a 3G Ipad and printer but no broadband allowance, printed copies of agendas or printer consumables; or a VDI desk top, printer, broadband allowance and printer consumables. This would include approval of funding of up to £7,700 from the service transformation budget.

There was no alternative option with regard to the decision regarding compliance with the requirements of CESG because this could impact on the delivery of statutory services.

However, alternative IT provision had been considered and the reasons for rejecting these options were detailed in paragraphs 6.2 and 6.3 of the report.

The Finance & Audit Scrutiny Committee proposed an amendment to recommendation 2.2. to read as follows:

"2.2 The Executive approve for a trial period the introduction of the following IT provisions, for up to 17 Councillors, for either:

(a) A 3G iPad and printer but no broadband allowance, printed copies of agendas or printer consumables; or
(b) VDI desk top, printer, broadband allowance and printer consumables"

The Overview and Scrutiny Committee recommended that a further review on the feasibility of separating the email system from the PSN was undertaken to allow access to emails in a more flexible manner.

Members agreed the recommendation from Finance and Audit to allow any 17 Councillors to join in the trial and supported the investigation into separating the email system from PSN.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations, with an amendment to 2.2 and an additional condition regarding a review of the email system.

RESOLVED that

(1) the impact of PSN compliance on the Council's ICT Strategy and future operations of the Council, is noted, with concern;

(2) a trial period be approved of the following IT provision, for up to 17 Councillors, for either:

(a) A 3G iPad and printer but no broadband allowance or printer consumables; or
(b) VDI desk top, printer, broadband allowance and printer consumables;

(3) funding of up to £7,700, is approved, for the purchase of 3G Ipads for Councillors who elect for option 2.2 (a), from the service transformation budget; and

(4) a further review on the feasibility of separating the email system from the PSN is undertaken to allow access to emails in a more flexible manner.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference number 574)

142. **COVENTRY & WARWICKSHIRE STRATEGIC ECONOMIC PLAN**

The Executive considered a report from the Deputy Chief Executive (BH) which provided Members with the opportunity to comment on the draft, and influence the final, Strategic Economic Plan which would be submitted in March 2014.

The report explained that following Lord Heseltine's review of how to promote local economic growth, 'No Stone Unturned', the Government asked all Local Enterprise Partnerships to develop multi-year, ambitious and visionary Strategic Economic Plans (SEPs) setting out how they wanted to grow their local economies.

The Coventry & Warwickshire Local Enterprise Partnership (CWLEP), in common with the other 38 LEPs was required to submit a SEP setting out its overall, long term strategic vision for the sub-region by 31 March 2014 and had submitted its draft SEP in December 2013.

The report requested that the Executive confirm its commitment to working with sub regional partners and delegate authority to the Chief Executive to feedback the Council's comments via the CWLEP structures.

The draft SEP was currently a large and lengthy document so internet links had been provided rather than printed appendices. The report detailed fully the government requirements and the feedback that the SWLEP and its partners had received on its draft December submission.

The CWLEP Board had detailed a number of revisions to the document and these were outlined in paragraph 3.6 of the report.

There were a number of alternative options that the Council could pursue, from making no comment on the SEP to making a comprehensive response and maximising its efforts to influence the development of the final submission.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) the Council workings with sub-regional partners to ensure that the final SEP submission is as strong as possible to maximise the CWLEP's ability to successfully bid for future funding for economic growth;

(2) authority is delegated to the Chief Executive, in consultation with the Leader of the Council, to feedback this Council's comments via the Joint Committee structure and to the Deputy Chief Executive (BH), in consultation with the Leader of the Council, to feedback this Council's comments via the CWLEP structures; and

(3) authority is delegated to the Corporate Management Team, in consultation with the Executive to continue to review the emerging SEP, provide appropriate feedback, and influence its development, until its final submission.

(The Portfolio Holder for this item was Councillor Mobbs)

143. **ANNUAL MONITORING REPORT & LOCAL DEVELOPMENT SCHEME 2013**

The Executive considered a report from Development Services which sought approval of the Annual Monitoring Report 2013 (AMR).

The AMR assessed the extent to which existing planning policies and proposals were being implemented against a range of indicators and the Council was required to prepare and publish one each year. The AMR also monitored progress on the preparation of planning policy documents and informed the review of the Council's Local Development Scheme (LDS).

The Key Findings of the AMR provided a summary of performance against the core output indicators and were attached as an appendix to the report. The full AMR, including more detailed discussion of progress against each indicator, was a large document and could be viewed on the Council website.

The report explained that the LDS was a project plan, outlining what planning policy documents the Council intended to prepare. The Council approved its LDS in June 2013 and this report also sought approval for a revised LDS to be published in light of changes since then.

The LDS approved by the Executive on 9 January 2013 was amended in relation to the Local Plan on 4 June when the Revised Development Strategy was approved for consultation. Appendix B to the report detailed further changes to the LDS and the draft LDS in its entirety could be viewed on the Council website.

There was no alternative option with regard to the Annual Monitoring Report because it was a Council requirement to prepare and publish this.

An alternative option to the proposed revisions to the LDS, was that the Council could choose to vary the timetable for the Local Plan or not proceed with its Area Action Plans for Warwick and Leamington town centres. However, this could potentially leave the District without an up-to-date planning policy framework and could result in ad hoc planning decisions being taken regarding various developments to the detriment of the District.

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) the 2013 Annual Monitoring Report, as set out in Appendix A to the report, be approved; and

(2) the Local Development Scheme, including the project plans attached as Appendix B to the report, be approved.

(The Portfolio Holder for this item was Councillor Caborn)
(Forward Plan reference number 451/584)

144. **UPDATE OF WARWICKSHIRE'S JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY**

The Executive considered a report from Neighbourhood Services which requested approval of the updated Warwickshire's Joint Municipal Waste Management Strategy.

The current Joint Municipal Waste Management Strategy was adopted in 2005 by the Warwickshire Waste Partnership, as well as individually by each of the Partner Authorities, including Warwick District Council, and would run until 2020. The Warwickshire Waste Partnership was composed of representatives, elected members and officers, from all of the Warwickshire Authorities.

The report advised that the Partnership had made good progress since the strategy was adopted and had achieved some of the key targets/actions before the original 2020 deadline. While progress had been made over the last nine years to reduce the volume of waste sent to landfill and increase recycling, there was more to be done.

The report explained why the Council needed a Waste Strategy and advised on consultation and implementation details.

An alternative option would be to continue with an un-revised strategy. The general objectives adopted in the 2005 strategy remained relevant, however some of the objectives had been superseded by new/updated national legislation and therefore the original document was losing its relevance.

Having read the report the Executive decided to agree the recommendations as written.

RESOLVED that the updated Warwickshire's Joint Municipal Waste Management Strategy be approved.

(The Portfolio Holder for this item was Councillor Shilton)
(Forward Plan reference number 573)

145. **PUBLIC FUNDRAISING REGULATORY AUTHORITY – SITE MANAGEMENT AGREEMENT**

The Executive considered a report from Development Services which brought forward proposals for the better management of the attendance of charities on the streets of our town centres, though a site management agreement with the Public Fundraising Regulatory Association (PFRA). The agreement covered face-to-face information collection only, cash collection on streets remained subject to existing Licencing regulations.

The face-to-face collection of contact details and/or direct debit details on behalf of charities (commonly known as 'chugging') often took place in cities and towns throughout the country. Currently Warwick District Council operated a voluntary scheme whereby organisers directly contact the Council to request dates to visit our towns.

Officers advised that the adoption of the Site Management Agreement (SMA) would produce a clear, coherent and enforceable regulation to this activity. It would allow for lawful data collection in a way that did not deter people from our towns and there was no additional impact in workload or in cost to the District Council.

The report advised that the agreement between the Council and the PFRA would result in the PFRA taking over responsibility for the management of face-to-face information collection in Warwick, Kenilworth and Royal Leamington Spa, and was attached as an appendix to the report. In addition, the report requested that the responsibility for managing the agreement, and for renegotiating the agreement as the end of the initial term approaches, was delegated to the Head of Development Services, or an officer of their nomination.

An alternative option was to continue with the more informal system currently employed. However, this could mean that issues currently experienced would be likely to continue along with the inability to effectively ensure their prevention.

Having read the report the Executive decided to agree the recommendations as written.

RESOLVED that

(1) the Site Management Agreement (SMA) between Warwick District Council and Public Fundraising

Regulatory Association (PFRA) which would result in the PFRA taking over responsibility for the management of face-to-face information collection in Warwick, Kenilworth and Royal Leamington Spa, be approved; and

(2) the responsibility for managing the agreement, and for renegotiating the agreement as the end of the initial term approaches, is delegated to the Head of Development Services, or an officer of their nomination.

(The Portfolio Holder for this item was Councillor Hammon)
(Forward Plan reference number 577)

146. RURAL / URBAN CAPITAL IMPROVEMENT APPLICATION

The Executive considered a report from Finance which provided details of a Rural/Urban Capital Improvement Scheme grant application by Leamington RFC to build an extension to install disabled toilet facilities, refurbish female and male toilet facilities and create disabled access to the main entrance.

The Council operated a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grant recommended was in accordance with the Council’s agreed scheme and would provide funding to help the project progress.

The report advised that Leamington RFC had submitted a RUCIS application to install disabled toilet facilities, refurbish female and male toilet facilities and create disabled access to the main entrance. The application was for 41% of the total project costs up to a maximum of £36,000.

Leamington RFC stated that they had limited funds available had therefore not committed any of their cash reserves to the project. However, the project costs did not include any contingency funds and the club therefore agreed that should additional funds be required, they would be met by the club’s cash reserves.

Old Milverton and Blackdown Joint Parish Council advised that they were unable to make a financial contribution to the project on this occasion. Leamington RFC requested a grant from Leamington Town Council and a decision on this application was due to be made in February 2014.

Leamington RFC had previously had successful RUCIS applications in December 2010 and November 2011. This application met the criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant.

The report therefore recommended that the Executive approve a Rural/Urban Capital Improvement Grant from the Rural cost centre budget for Leamington RFC of 41% of the total project costs up to a maximum of £36,000 subject to receipt of written confirmation from Sport England Inspired Facilities (or an alternative grant provider) to approve a capital grant of £50,000 and written confirmation from Leamington Town Council (or an alternative grant provider) to approve a capital grant of £1,169 or if unsuccessful, written confirmation that Leamington RFC would contribute £1,169 from their cash reserves.

The Council only had a specific capital budget to provide grants of this nature and therefore there were no alternative sources of funding if the Council was to provide funding for Rural/Urban Capital Improvement Schemes. However, Members could choose not to approve the grant funding, or to vary the amount awarded.

Having read the report the Executive decided to agree the recommendations as written.

RESOLVED that a Rural/Urban Capital Improvement Grant from the Rural cost centre budget for Leamington RFC of 41% of the total project costs, be approved, to install disabled toilets, refurbish female and male toilets and create disabled access to the main entrance, up to a maximum of £36,000 subject to receipt of the following:

a) written confirmation from Sport England Inspired Facilities (or an alternative grant provider) to approve a capital grant of £50,000; and

b) written confirmation from Leamington Town Council (or an alternative grant provider) to approve a capital grant of £1,169 or if unsuccessful, written confirmation that Leamington RFC will contribute £1,169 from their cash reserves.

(The Portfolio Holder for this item was Councillor Mobbs)

147. QUALITY OF LIFE REPORT

The Executive considered a report from Corporate and Community Services which presented the 2013 Quality of Life report summary. The full report was a very large document and so was not included in the papers but access could be gained via electronic links inserted into the report or by visiting www.warwickshireobservatory.org.

The Annual Quality of Life report was produced by the Warwickshire Observatory. It provided a way of accessing data to help the Council understand how effectively it was progressing towards the organisational purpose. At the Executive meeting of 9 February 2011, it was agreed that the report be submitted to Executive each year.

The Quality of Life report provided important data about what was changing in our District. As such, it was not only useful in understanding the impact of Council strategies, but could also inform the development of future strategy and services together with the annual service planning process. The 2013 report also included 2011 Census data across a number of themes and included some new indicators.

The report advised that the 2013 Quality of Life Report identified a number of key themes and trends including Projected Population Growth, Deprivation, Affordable Housing and Housing Need, Income and Earnings and Education and Skills. The headline themes were summarised in section 7.2 of the report.

There were no alternative options considered because Members had requested that the Quality of Life report be submitted to Executive annually.

Having read the report the Executive decided to agree the recommendation as written.

RESOLVED that the contents of the Quality of Life report be noted and that Service Area Managers and Portfolio Holders use the Quality of Life data to help inform the development of the 2014/15 Service Area Plans / Portfolio Holder Statements.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference number 580)

148. **CHASE MEADOW COMMUNITY CENTRE – POST IMPLEMENTATION REVIEW**

The Executive considered a report from the Deputy Chief Executive (AJ) provides such a review of the Chase Meadow Community Centre project, which in September 2013 delivered a new build community Centre and established a voluntary body, Chase Meadow Centre Partners Community Interest Company to operate the Centre.

The new build Chase Meadow Community Centre was handed over from Morgan Sindall, the principal building contractor, to Warwick District Council on 30 September 2013. The Centre comprised a community sports hall, communal space/café, a large meeting room/Place of Worship and three smaller meeting rooms, as detailed at appendix 6 to the report.

The report explained that the Council's Code of Financial Practice (paragraph 9.10) stated that projects should be subject to an appropriate post implementation review to confirm whether the project objectives had been met.

The report also outlined the advantages, disadvantages and lessons learnt of using the Scape procurement framework to procure the contractor and other consultants as experienced by the Council's project team. Finally, the report captured the more general learning points relating to the delivery of the project.

No alternative options were considered because the production of this report was a requirement of the Code of Financial Practice.

Having read the report the Executive decided to agree the recommendations as written.

RESOLVED that

(1) the final, total costs of designing and constructing the Chase Meadow Community Centre were

achieved within budget, as set out in appendix 1 to the report, be noted;

(2) the construction of the building was completed on 30 September 2013 as per the construction programme agreed at the start of the build programme, as set out in appendix 2 to the report, be noted;

(3) appropriate governance arrangements have been put in place to enable the Centre to be managed and maintained by Chase Meadow Centre Partners, as set out in appendix 3 to the report;

(4) the review (advantages, disadvantages and learning points) of using the Scape Procurement Framework to engage professional services and the principal building contractor, as set out in appendix 4 to the report, be noted;

(5) the lessons learnt relating to the delivery of the project, as set out in appendix 5 to the report, be noted.

(The Portfolio Holder for this item was Councillor Mrs Grainger)
(Forward Plan reference number 581)

149. **PROPOSED EXEMPTION FROM THE CODE OF PROCUREMENT PRACTICE**

The Executive considered a report from Housing and Property Services which sought an exemption from the Code of Procurement Practice in order to engage PTL Occupational Hygiene Consultants, to provide asbestos inspection reports and maintain appropriate records, on an interim basis until the outcomes of the current exercise to procure a contractor for this area of work was completed.

The Council had a statutory duty to manage asbestos in the buildings it owned under the Control of Asbestos Regulations 2012 (CAR). In order to discharge this duty in respect of the HRA stock and other corporate buildings, asbestos inspection reports were regularly required before responsive or planned maintenance could take place where the presence of asbestos was either suspected or had previously been confirmed.

The report explained that the management changes within Housing & Property Services had delayed the tendering of the new comprehensive contract for asbestos management. A timetable for the procurement of this work, under the European OJEU regulations, was set out at appendix one to the report and anticipated that a new contract would be in place in 6 months.

The delay had required the introduction of interim arrangements to ensure that the Council could discharge its responsibilities, as the previous contracts for asbestos inspections and removals had expired.

The report proposed that this risk be minimised by engaging a competent contractor to update the asbestos register, a requirement of the CAR 2012, for an interim period while the new contract was put in place. PTL had previously worked for the Council, their contract expiring in 2013, were familiar with our stock and systems and were able to undertake the proposed work immediately.

A request for an exemption from the Code of Procurement Practice was therefore sought to allow PTL to be re-engaged in their previous role for a maximum period of 8 months. This timescale covered the OJEU tender period, allowing for any unanticipated slippage, and, potentially, a handover period to the new contractor if this was considered desirable. Alternatively, the contract arrangement could be terminated when the new contractor was appointed.

An alternative option of undertaking a procurement exercise for the proposed work using a Framework Agreement had been discounted because there was a risk that the Council could be re-inspected at any time by the HSE without notice.

The alternative option of maintaining the interim arrangements until the current tender exercise had been completed had been discounted because Ian Williams were only providing surveys on live jobs. For planned works, no surveys were being carried out which, if unaddressed for a further 6 months, could lead to an unacceptable backlog of work. It had also proved unsustainable for Ian Williams to resource a daily update of the asbestos register, which the proposed arrangement would address.

In either scenario, if the Council were subject to a HSE inspection and found to not have an adequate Asbestos Register or inappropriate inspection arrangements it could be held to be in contravention of Health & Safety legislation. Under The Health and Safety (Fees) Regulations 2012, those who break health and safety laws are liable for recovery of HSE’s related costs, including inspection, investigation and taking enforcement action.

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

Having read the report and having heard the representations from the Scrutiny Committees, the Executive decided to agree the recommendations as written.

RESOLVED that

(1) an exemption to the Code of Procurement Practice is approved, to allow PTL Occupational Hygiene Consultants (PTL) to be engaged on an interim basis, for a maximum period of 8 months, to undertake asbestos inspections for planned and responsive work and to ensure the Asbestos Register is updated and maintained; and

(2) an OJEU compliant procurement exercise has been commenced to engage an asbestos surveying, monitoring and removal contractor which should enable the interim arrangements to be brought to an end on the timetable set out at appendix one to the report, be noted.

(The Portfolio Holder for this item was Councillor Vincett)

150. **PUBLIC AND PRESS**

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

Minute No.	Para Nos.	Reason
151, 153, 154 & 155		Information relating to the financial or business affairs of any particular person (including the authority holding that information)

151. **CALL-IN OF EXECUTIVE ITEM – KENILWORTH PUBLIC SERVICE CENTRE**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Coker)
(Forward Plan reference number 436)

152. **USE OF CHIEF EXECUTIVES DELEGATED POWERS**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Mobbs)

153. **HOUSING WITH CARE OPPORTUNITY AT ST MICHAEL'S CHAPEL AND MASTER'S HOUSE, SALTISFORD (LEPER HOSPITAL)**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Cross)
(Forward Plan reference number 582)

154. **10,12 & 14 CHAPEL STREET, WARWICK**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Hammon)
(Forward Plan reference number 575)

155. **EXTENSION OF ADAPTATION BUILDING WORKS CONTRACT**

The recommendations of the report were agreed.

The full minute for this item will be set out in the confidential minutes of the meeting.

(The Portfolio Holder for this item was Councillor Vincett)
(Forward Plan reference number 579)

156. **MINUTES**

The confidential minutes of the meetings held on 8 January 2014 were agreed and signed by the Chairman as a correct record.

(The meeting ended at 8.20 pm)

WARWICK DISTRICT COUNCIL	Executive – 12th March 2014	Agenda Item No. **4**

Title:	Treasury Management Strategy Plan for 2014/2015
For further information about this report please contact	Roger Wyton 01926 456801 roger.wyton@warwickdc.gov.uk Karen Allison 01926 456334 karen.allison@warwickdc.gov.uk
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No
Date and meeting when issue was last considered and relevant minute number	N/A
Background Papers	Treasury Management in the Public Services – A Code of Practice and associated guidance notes– CIPFA The Prudential Code for Capital Finance in Local Authorities - CIPFA Treasury Management file L1/9 Treasury Management information via External Advisors, Brokers etc.

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes - 541
Equality & Sustainability Impact Assessment Undertaken	No – n/a

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive	06/02/2014	Chris Elliott
Head of Service	13/02/2014	Mike Snow
CMT	18/02/2014	N/A
Section 151 Officer	13/02/2014	Mike Snow
Monitoring Officer	N/A	N/A
Finance	12/02/2014	Roger Wyton
Portfolio Holder(s)	18/02/2014	Cllr. Andrew Mobbs

Consultation & Community Engagement - None

Final Decision?	Yes

Suggested next steps (if not final decision please set out below)

1. SUMMARY

1.1 This report details the strategy for 2014/15 that the Council will follow in carrying out its Treasury Management activities including the Annual Investment Strategy and Minimum Revenue Provision (MRP)Policy Statement.

1.2 The report consists of a number of Appendices:-

Appendix A - Annual Treasury Management Strategy Plan 2014/15
Appendix B – 2014/15 Annual Investment Strategy Including Annex 1
Appendix C – Minimum Revenue Provision Policy Statement
Appendix D – An Explanation of Credit Rating Terms
Appendix E – Economic Background
Appendix F – Glossary of Terms

2. RECOMMENDATIONS

2.1 That the Executive notes:-

a) The changes to the various Treasury Management Practices as detailed in paragraph 3.2 below.

2.2 That the Executive recommends to Council:-

a) The Treasury Management Strategy for 2014/15 as outlined in paragraph 3.1 below and detailed in Appendix A,

b) The 2014/15 Annual Investment Strategy as outlined in paragraphs 3.4 and 3.5 below and detailed in Appendix B together with Annex 1 including the following changes:-

1. As per paragraph 2.4 of Appendix B, that Variable Net Asset Value Money Market Funds, Corporate Bonds and Floating Rate Notes are added to the list of Specified Investments that the Council can use.

2. That the individual and overall counterparty limit for Variable Net Asset Value Money Market Funds for 2014/15 be £6 million.

3. That the individual counterparty limit for Corporate Bonds issued by Corporates for 2014/15 be £3 million.

4. That the individual counterparty limit for Floating Rate Notes issued by Corporates for 2014/15 be £3 million.

5. As per paragraph 2.7 of Appendix B, that Corporate Bonds with maturities in excess of 364 days, Corporate Bond Funds and Regulated and Unregulated Property Funds (CCLA Local Authority Property Fund only) are added to the list of Non-Specified investments that the Council can use.

6. That as per paragraph 2.6 of Appendix B, the current 40% portfolio limit and £9 million monetary limit on investments over 364 days be replaced by 60% and £15 million respectively.

7. That as per paragraph 2.6 of Appendix B, Corporate Bond and Property Funds are limited to a maximum of £5 million per fund within an overall sector limit of £10 million and subject to the over 364 day overall investment limit of £15 million

8. That as per paragraph 2.6 of Appendix B, in respect of Local Authorities the current maximum duration limit of 2 years be increased to 5 years.

9. That as per paragraph 2.6 of Appendix B, in respect of Corporate Bond and Property Funds, the current maximum duration limit of 2 years be increased to 10 years.

c) The Minimum Revenue Provision Policy Statement as outlined in paragraph 3.6 below and contained in paragraphs 4.1 to 4.4 of Appendix C.

d) The Prudential Indicators as outlined paragraph 3.7 below and contained in paragraphs 5.4 & 5.5 of Appendix A.

3. REASONS FOR RECOMMENDATIONS

3.1 The Council is required to have an approved Treasury Management Strategy, including an Annual Investment Strategy and Minimum Revenue Provision Policy within which its Treasury Management operations can be carried out. The Council will be investing approximately £13.605 million in new capital in 2014/2015 and will have average investments of £48 million (2012/13 actual £47m). This level of investments arises from our reserves and provisions, the General Fund and Housing Revenue Account balances, and accumulated capital receipts as well as cashflow.

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

TMP 1 Risk Management.

Paragraph 2.1(l) – inclusion of Triple A Variable Net Asset Value Money Market Funds with minimum credit ratings of AAAf S1 (Standard & Poors), Aaa-bf (Moody's) or AAA/V1 (Fitch).

Paragraph 2.1(n) – inclusion of Corporate Bonds issued by Financial Institutions with a minimum Fitch credit rating of A+ or A in the case of UK banks wholly or part owned by the UK Government.

Paragraph 2.1(o) – inclusion of Floating Rate Notes issued by Financial Institutions with a minimum Fitch credit rating of A+ or A in the case of UK banks wholly or part owned by the UK Government.

Paragraph 2.1(p) – inclusion of Investment Grade Corporate Bond Funds

Paragraph 2.1(q) – inclusion of Regulated Property Funds

Paragraph 2.1(r) – inclusion of Unregulated Property Funds currently limited to CCLA Local Authority Property Fund.

Paragraph 2.3 – setting of counterparty limits for new investment vehicles:-

i) Variable Net Asset Value MMF's £6 million
ii) Financial Institution Corporate Bonds £5 million or £9 million if wholly or part owned by UK Government
iii)Corporate Bonds issued by Corporates £3 million
iv)Financial Institution Floating Rate Notes £5 million or £9 million if wholly or part owned by UK Government
v)Floating Rate Notes issued by Corporates £3 million
vi)Investment Grade Corporate Bond Funds £5 million
vii)Regulated Property Funds £5 million
viii)CCLA Local Authority Property Fund £5 million

Paragraph 2.4 – Increase in %, value and duration of core investment portfolio that can be invested for more than 364 days in order to accommodate new Corporate Bond and Property Fund vehicles, the new limits to be 60%, £15 million.and for Corporate Bond and Property Funds a duration limit of 10 years. The maximum duration of investments with other Local Authorities has been increased from 2 to 5 years, the maximum duration for all other vehicles remaining at 2 years. Also change in definition of over 364 day investments. Investments that were originally for more than 364 days but at 1st April each year have 364 days or less to maturity will be classed as of that date as short term investments and will not count against the 60% or £15 million limits.

Paragraph 2.5 – change in order to allow a bank which does not satisfy our minimum credit rating criteria to be the Council's bankers. The Council will be retendering its banking contract during 2014/15 and currently our TMP's do not allow a bank that is below our minimum credit rating criteria to be appointed as our bankers. Should such a bank be appointed then deposits will be restricted to day to day balances.

TMP4 Approved Instruments, Methods and Techniques.

Paragraph 2.1 (j) - Amended to include Variable Net Asset Value Money Market Funds.

Paragraph 2.1 (m) – introduction of Corporate Bonds up to a maximum of 2 years issued by Financial Institutions or Corporates with a minimum Fitch rating of A+ or A in the case fo Financial Institutions wholly or part owned by the UK Government.

Paragraph 2.1 (n) – introduction of Floating Rate Notes up to a maximum of 2 years issued by Financial Institutions or Corporates with a minimum Fitch rating of A+ or A in the case of Financial Institutions wholly or part owned by the UK Government.

Paragraph 2.1 (o) - introduction of Investment Grade Corporate Bond Funds with a maximum duration of 10 years.

Paragraph 2.1 (p) - introduction of Regulated Property Funds including Real Estate Investment Trusts up to a maximum duration of 10 years

Paragraph 2.1 (q) - introduction of Unregulated Property Funds including Real Estate Investment Trusts up to a maximum duration of 10 years – currently CCLA Local Authority Property Fund only.

Delete previous Paragraph 2.1 (m) as Real Estate Investment Trusts are a form of Property Fund and are therefore now included under that category..

TMP5 Organisation, Clarity and Segregation of Responsibilities and Dealing Arrangements.

Paragraph 1.3 – Threshold amount relating to the need to consult the Head of Finance before making an investment increased from £2.5 million to £3 million reflecting general increase in investment balances and individual counterparty limits since original threshold set.

Paragraph 5.1 – Authorisation procedure for new Svenska Handelsbanken deposit account added. Faxed instructions for deposits in and withdrawals from this new account require the signatures of two authorised signatories

TMP 9 Money Laundering.

Paragraph 9.1.2.(a) – amended to reflect the fact that the Financial Conduct Authority has replaced the Financial Services Authority.

TMP 11 Use of External Service Providers

Paragraph 1.4 (h)- addition of triple A rated Variable Net Asset Value Money Market Funds to the vehicles that an external fund manager is permitted to use.

Paragraph 1.4 (j) – addition of Base Rate tracking Bank and Building Society account to the vehicles that an external fund manager is permitted to use.

Paragraph 1.4 (k) – addition of Corporate Bonds up to a maximum of 364 days issued by Financial Institutions or Corporates with a minimum Fitch rating of A+ or A in the case of a Financial Institution on wholly or part owned by the UK Government to the vehicles that an external fund manager is permitted to use.

Paragraph 1.4 (l) - addition of Floating Rate Notes up to a maximum of 364 days issued by Financial Institutions or Corporates with a minimum Fitch rating of A+ or A in the case of a Financial Institution wholly or part owned by the UK Government to the vehicles that an external fund manager is permitted to use.

Paragraph 2.1 – Updated to reflect the fact that Sector Treasury Services has been re-named Capita Asset Services – Treasury Solutions Ltd.

3.3 This Council has regard to the Governments Guidance on Local Government Investments and CIPFA's updated Treasury Management in Public Services Code of Practice. The guidance states that an Annual Investment Strategy must be produced in advance of the year to which it relates and must be approved by the full Council. The Strategy can be amended at any time and it must be made available to the public. The Annual Investment Strategy for 2014/15 is contained within Appendix B and its Annex.

3.4 The current low interest rate environment is expected to continue for the foreseeable future as whilst interest rates are expected to start rising from the December quarter of 2015 it will be from a very low base and consequently investment returns will continue to be depressed for some time to come. Counterparty credit rating constraints and continuing high investment balances mean that it has become necessary to look at alternative investment vehicles in order to ensure that the Council can continue to invest its funds with the highest possible security whilst obtaining a reasonable rate of return. The changes being recommended are described in more detail in Appendix B but essentially involve the addition of Variable Net Asset Value Money Market Funds, Corporate Bonds, Floating Rate Notes, Corporate Bond Funds and Property Funds to the Council's investment armoury, the latter two being for long term use only. These offer an enhanced rate of return over our traditional investments whilst still having high security

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

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

4. POLICY FRAMEWORK

4.1 This report is in accordance with the Council's established Treasury Management Policies and provides a framework within which it will conduct its Treasury Management Operations in 2014/15.

5. BUDGETARY FRAMEWORK

5.1 The Treasury Management Strategy has a potentially significant impact on the Council's budget through its ability to maximise its investment interest income whilst minimising the risk of the loss of the Council's funds and minimise its borrowing interest payable which is of particular importance to the HRA under the Self Financing regime. This also helps to underpin the Council's Corporate Objectives and delivery of its Fit For the Future projects. The performance of the Treasury Management function is reported half-yearly to the Finance & Audit Scrutiny Committee which is the body charged by the Council with overseeing the treasury management activities of the council. Also an annual report for the Finance & Audit Scrutiny Committee is prepared at the end of the financial year on Treasury Management and compliance with the strategy and the Treasury Management Practices are reviewed as part of the annual Treasury Management audit.

5.2 Treasury Management is an evolving process and whilst it is not possible to compare investment returns from year to year due to differing economic climates, the previous year's performance together with feedback on our current performance from the Council's involvement in Capita Asset Services' Treasury Management Benchmarking Club is reviewed to see what lessons can be learnt that would help improve the current and future years investment returns and/or the security of the investments. For instance, this may take the form of new investment vehicles as is being recommended in this report.

6. **RISKS**

6.1 The introduction of Variable Net Asset Money Market Funds into the portfolio potentially increases capital risk. This is through potential capital loss due to market price fluctuations, for instance if investments have to be withdrawn early. This is mitigated by good cash flow management ensuring that investments are available for the necessary length of time to ensure that there is no negative impact on the capital value of the fund. In addition, mitigation is achieved by having a lower investment limit than for Constant Net Asset Value Money Market Funds in which there is no risk of capital loss.

6.2 Corporate Bonds and Floating Rate Notes (FRN's) introduce Counterparty credit risk into the portfolio by virtue of the fact that it is possible that the institution invested in could become bankrupt leading to the loss of all or part of the Council's investment. This is mitigated by only investing in Corporate Bonds or FRN's with a strong Fitch credit rating, in this case A+ and issued as Senior Unsecured debt which ranks above all other debt in the case of a bankruptcy.

6.3 The risks involved in not adopting the recommendations are outlined in paragraphs 7.2 and 7.3 below.

7. ALTERNATIVE OPTIONS CONSIDERED

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

7.2 An alternative to the strategy being proposed for 2014/15 would be to vary the counterparty limits and investment periods from those currently in force in order to increase investment returns but this would expose the Council to increased credit risk and is not recommended.

7.3 The Council could also choose not to introduce the new investment vehicles and reduce the minimum credit rating criteria instead. However, whilst this would achieve the stated aim of enhancing investment returns it would significantly increase credit risk within the investment portfolio leading to potential loss of capital.

APPENDIX A ANNUAL TREASURY MANAGEMENT STRATEGY PLAN 2014/15

1. **GENERAL**

1.1 This part of the report outlines the strategy that the Council will follow during 2014/15. Its production and submission to the Executive is a requirement of the CIPFA Code of Practice on Treasury Management in the Public Services.

1.2 The suggested strategy for 2014/15 in respect of the treasury management function is based upon the officer's view on interest rates supplemented with forecasts provided by Capita Asset Services – Treasury Solutions (formerly known as Sector Treasury Services) who are the Council's treasury advisers.

1.3 It is also a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from a) increases in interest charges caused by increased borrowing to finance additional capital expenditure b) any increases in running costs from new capital projects and c) the loss of interest on balances or reserves arising from their use in financing the capital expenditure are limited to a level which is affordable within the projected income of the council for the foreseeable future. This is covered by the Prudential Indicator calculating the Incremental Impact on the Council Tax or Housing Rent in paragraph 5.3 below.

1.4 A Glossary of Terms is included as Appendix F in order to aid Member's understanding of technical terms used in the field of Treasury Management.

2 **INTEREST RATE FORECASTS FOR 2014/15**

2.1 The ability to forecast the movement of interest rates is fundamental to successful investment and borrowing strategies. The Council employs Capita Asset Services – Treasury Solutions to provide interest rate forecasts and their latest view on both short and long term rates is shown in 2.2 overleaf. Their view on Bank Rate has been used to formulate the investment interest estimates for 2014/15 and future years and the PWLB rates are of particular interest in respect of the £136.157m PWLB debt taken out in late 2011/12 to finance the HRA Self Financing debt settlement as they will form the basis for any debt restructuring decisions that may be taken during 2014/15 although none are currently planned. The PWLB rates are also germane to any take up of the £13.843m borrowing headroom that the HRA has under the Self Financing regime.

2.2 The PWLB forecasts below are based on the PWLB Certainty Rate.

Quarter	Bank Rate	5 yr PWLB Rate	10 yr PWLB Rate	25 yr PWLB Rate	50 yr PWLB Rate
Dec 2013	0.50%	2.50%	3.60%	4.40%	4.40%
Mar	0.50%	2.50%	3.60%	4.40%	4.40%

2014					
Jun 2014	0.50%	2.60%	3.70%	4.50%	4.50%
Sep 2014	0.50%	2.70%	3.80%	4.50%	4.50%
Dec 2014	0.50%	2.70%	3.80%	4.60%	4.60%
Mar 2015	0.50%	2.80%	3.90%	4.60%	4.70%
Jun 2015	0.50%	2.80%	3.90%	4.70%	4.80%
Sep 2015	0.50%	2.90%	4.00%	4.80%	4.90%
Dec 2015	0.75%	3.00%	4.10%	4.90%	5.00%
Mar 2016	0.75%	3.10%	4.20%	5.00%	5.10%
Jun 2016	1.00%	3.20%	4.30%	5.10%	5.20%
Sep 2016	1.25%	3.30%	4.30%	5.10%	5.20%
Dec 2016	1.50%	3.40%	4.40%	5.10%	5.20%
Mar 2017	1.75%	3.40%	4.50%	5.10%	5.20%

2.3 The Monetary Policy Committee (MPC) utilises Bank Rate as one of its tools to control inflation in the economy and meet its target rate of 2% Consumer Prices Inflation (CPI) .

2.4 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 to surpass all expectations. Growth prospects remain strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established.One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent.This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

2.5 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt to GDP ratios, in some countries, continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;

- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend.
- There will remain a cost of carry to any borrowing undertaken in advance of need that results in a temporary increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

2.6 Both UBS and Capital Economics (a leading Economics House) take a view that Bank Rate will remain at 0.50% until at least December 2015 thus lending support to Capita Asset Services – Treasury Solutions' view.

2.7 With regard to Long Term borrowing rates, Capital Economics is forecasting PWLB rates to be generally lower than Capita Asset Services – Treasury Solutions' view whilst UBS is forecasting rates to be higher.

2.8 A more detailed economic analysis by Capita Asset Services – Treasury Solutions is included at Appendix E.

3 CAPITAL BORROWING AND CAPITAL PROGRAMME FINANCING STRATEGY

3.1 The Council is able to finance its capital programmes in the following ways:-

a) By the use of Prudential Borrowing. Currently It is anticipated that there will be no need to borrow in order to finance the Council's 2014/15 capital programmes. However, should there be a need to borrow during the year it is likely, given that investment interest rates are forecast to be below long term borrowing rates for the year, that any borrowing will be of an internal nature i.e. from the Council's cash balances.

b) From Usable capital receipts. With regard to the General Fund capital programme it is anticipated that it will be part funded by the balance of unused capital receipts carried forward to 2014/15 primarily arising from the sale of Wilton House in 2011/12 and the sale of the Old Art Gallery in 2012/13. These will be supplemented by receipts arising from the sale of .21 Church Street, Warwick (£440,000) including the sale of 2 car parking spaces and a right of way across New Street car park and the expected sale of 10-14 Chapel Street, Warwick (£400,000) in 2013/14. The Housing Investment Programme anticipates 22 council house sales during 2014/15 resulting in £721,691 being available to part finance current and future expenditure alongside receipts in hand from previous years. However, £209,500 of this figure must be spent on housing new build only.

c) From revenue or reserves.

d) From external contributions and grants . With regard to the General Fund capital programme, it is anticipated that external contributions will be used to part finance the 2014/15 expenditure on Green Farm Play

Equipment, Jubilee House and the Cubbington Flood Alleviation Scheme . With regard to the Housing Investment Programme it is expected that grants and contributions amounting to £415,400 will be utilised to finance General Fund Housing RSL projects and Improvement Grants.

e) From Leasing or other similar means of capital finance.

3.2 With the exception of dedicated external grants and contributions, before deciding which of the above means of capital financing will be utilised to finance capital expenditure, the Council will conduct an options appraisal exercise where appropriate.

3.3 The financing of the Council's proposed 2014/15 capital programmes (at January 2014) is shown in the table below:-

Financing Method	**General Fund £**	**Housing Investment Programme £**
Prudential Borrowing	0	0
Leasing	0	0
Capital Receipts	282,100	1,838,200
External Contributions	375,900	1,077,600
Revenue Contributions	0	109,600
Reserve Contributions	1,944,200	7,977,300
TOTAL	**2,602,200**	**11,002,700**

4. LONG TERM AND TEMPORARY BORROWING

4.1 The Council's current long term borrowing portfolio consists of £136.157m PWLB debt. These loans were taken out to finance the HRA Self Financing settlement and the interest paid on this debt is entirely borne by the Housing Revenue Account and is provided for as part of the HRA Business Plan. The first of these loans is scheduled to be repaid on 28th March 2053 with the final loan being repaid on 28th March 2062.

4.2 As part of their ongoing services, Capita Asset Services will monitor the debt portfolio during 2014/15 identifying, where appropriate, any opportunities for debt restructuring although these are expected to be minimal, if at all.

4.3 Should the Council engage in any long term borrowing during 2014/15, if deemed to be advantageous due to the expected path of interest rates, the Council may borrow in advance of need subject to prior appraisal of the risk and the borrowing must not take place in excess of 18 months before the anticipated need.

4.4 The Council will continue to engage in short term borrowing (up to 364 days) when necessary in order to finance temporary cash deficits, however by managing our cash flow effectively these will be kept to a minimum. In each case, wherever possible, the loan will be taken out for periods of less than 7 days in order to minimise the interest payable. To date in 2013/14 the Council has not incurred any short term borrowing and is not expected to do so in 2014/15 either.

5. TREASURY LIMITS AND PRUDENTIAL INDICATORS FOR 2014/15 TO 2016/17

5.1 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Authorised Limit". The Council must have regard to the Prudential Code when setting its Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax / rent levels is acceptable. Whilst termed an Authorised Limit, the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements e.g. finance leases. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years. The limits shown in the table in paragraph 5.2 include the impact of the HRA Self Financing debt settlement which took place on the 28th March 2012. It also includes the HRA "Headroom" which is the amount that the HRA can borrow between the debt settlement and the Debt Cap set under the Self Financing regime.

5.2 The Authorised Limits to be recommended to Council by the Executive were included in the Budget report presented to the Executive on 12th February and were ratified by the Council at its meeting on 26th February. They are also displayed in the table overleaf:-

Authorised Limit	2013/14 (For Comparison) £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt	12.10	15.05	15.05	15.05
Add HRA Settlement	136.16	136.16	136.16	136.16
HRA Head Room	13.84	13.84	13.84	13.84
Other Long Term Liabilities	1.092	1.080	1.032	1.001
Total	163.192	166.130	166.082	166.051

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

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

Capital Financing Requirement

Year	General Fund (inc. GF HIP element)	HRA	Overall
2013/14 (for comparison)	-£1,326,896	£135,786,796	£134,459,900
2014/15	-£1,326,896	£135,786,796	£134,459,900
2015/16	-£1,326,896	£135,786,796	£134,459,900

2016/17	-£1,326,896	£135,786,796	£134,459,900

The Capital Financing Requirement (CFR) as shown in the table above is a measure of the Council's underlying need to borrow in order to meet past capital expenditure. Currently, as the capital programmes are expected to be fully funded from sources other than borrowing (including leases) no increase is forecast to the CFR's. The CFR would normally be reduced by any provision for the repayment of debt each year. As the GF CFR is negative this is not required and in the case of the HRA debt redemption is not scheduled to start until year 41 (2052/53) of the current Business Plan.

Incremental Impact on Council Tax / Housing Rents

Year	Council Tax	Housing Rent
2013/14 (for comparison)	£1.38	£0.00
2014/15	£3.83	£0.00
2015/16	£1.65	£0.00
2016/17	£2.00	£0.00

Operational Boundary for External Debt

Operational Boundary	2013/14 (For Comparison) £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Debt	1.10	1.05	1.05	1.05
Add HRA Settlement	136.16	136.16	136.16	136.16
HRA Head Room	13.84	13.84	13.84	13.84
Other Long Term Liabilities	0.09	0.08	0.03	0.00
Total	151.19	151.13	151.08	151.05

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

HRA Debt Limit	2013/14 (for comparison)	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Total	150.00	150.00	150.00	150.00

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

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

Year	Upper Limit - Fixed Rate	Upper Limit - Variable Rate
2014/15	100%	30%
2015/16	100%	30%

2016/17	100%	30%

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

Period	Upper	Lower
Under 12 months	6%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and above	94%	0%

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

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

5.5 **Principal sums invested for periods longer than 364 days**

The total maximum sum that can be invested for more than 364 days is 60% of the core investment portfolio subject to a maximum of £15 million at any one time. However, where investments which originally were for periods of more than 364 days have 364 days or less to maturity at the 1st April each year they shall be classed from that date as short term i.e. less than 364 day investments and will not count against the 60% or £15 million limit.

6. BEST VALUE

6.1 The Council participates in Capita Asset Services' investment risk management benchmarking service in order to provide benchmarks against which the in house function could monitor its performance. The Council is part of a local group comprising both District and County Councils and our investment rate of return is benchmarked on a weighted average basis against the Capita Asset Services Model Portfolio and the returns experienced by the other club members. In 2014/15, the Council will seek to achieve a weighted average rate of return in line with the Capita Asset Services Model Portfolio which is based upon the best possible return whilst providing the maximum security for the capital invested.

6.2 The internal treasury function will also seek to achieve an average rate of return on its Money Market investments of 0.0625% over the LIBID (London Inter Bank Bid Rate) average for comparable investment periods (e.g. up to 7 day, 1 to 3 months, 3 to 6 months and over 6 months).

6.3 Should the Council employ external investment agents during 2014/15 suitable performance indicators will be agreed with the agents similar to that which operated under the previous Invesco agreement e.g. the fund will be required to outperform the Financial Times 7 day LIBID rate compounded weekly with a target return of 110% of the benchmark over a 3 year rolling period.

6.4 The Council's performance is reported half-yearly to the Finance and Audit Scrutiny Committee.

7. EXTERNAL TREASURY MANAGEMENT ADVISERS

7.1 The Council employs Capita Asset Services – Treasury Solutions as its Treasury Management advisers. Their current contract expires on 5th January 2015 and it will be necessary to re-tender this service during the currency of this Treasury Strategy. Preliminary work has already commenced but in all likelihood the re-tendering process will be straightforward as there are now only two "players" in this market, Capita Asset Services and Arlingclose.

8. BANKING SERVICES

8.1 The Council currently employs HSBC Bank to provide its banking services and. the current contract expires on 1st March 2015 so again it will be necessary to re-tender for this service during the currency of this Treasury Strategy. Preliminary discussions have been held with Procurement to establish the likely timescale and processes required. In order to met the predicted timescale of 1 year, detailed work on this project is likely to commence in early Spring 2014.

8.2 Should the successful bank have a Fitch credit rating less than the minimum required for inclusion in the Council's investment counterparty list then monies held with the bank will be restricted to day to day working balances.

9. OTHER ISSUES

9.1 The Council has entered into a joint venture with Waterloo Housing Association in which Council land will be sold on a deferred basis to the Housing Association in order to provide resources for additional social housing. During 2012/13, Kingsway Community Centre was sold to Waterloo on this basis and Executive approval has recently been given to dispose of West Rock car park in a similar manner. Local Authority accounting requires that a certain portion of the deferred capital receipt has to be treated as investment income and the Treasury Management function will be advising on the accounting transactions involved.

9.2 The Council's treasury consultants, in conjunction with a number of other authorities , have devised a scheme whereby a Local Authority will guarantee to the lending bank a proportion of a borrowers mortgage against default and is aimed at enabling people who are capable of affording the monthly repayments on a mortgage but who are unable to provide the increased deposits that mortgage lenders are currently demanding following the "credit crunch" to enter the housing market and thus free up properties for social housing purposes. The Council joined the pilot scheme and further developments of this scheme will be the subject of a future report to the Executive. Should we participate in the scheme, currently this would involve the making of an advance to the bank equal to the guarantee in total which for our purposes will be treated as capital expenditure and will be accounted for as a Long Term Debtor in much the same way as the few remaining Sale of Council House mortgages are. The bank giving the mortgage will pay interest on this advance at an attractive interest rate. The advance will be the security against which any defaults will be charged and the Treasury Management function will be advising on the treasury management implications of the scheme.

APPENDIX B 2014/15 ANNUAL INVESTMENT STRATEGY

1. BACKGROUND

1.1 This Council has regard to the Governments Guidance on Local Government Investments and CIPFA's updated Treasury Management in Public Services Code of Practice. Section 15(1) of the 2003 Local Government Act requires councils to have regard to such guidance as the Secretary of State may issue. Guidance was issued in 2004 and has subsequently been updated with the last major change being that Local Authorities who invest in Corporate Bonds no longer need to account for these as capital transactions i.e. capital expenditure. The general policy objective is that local authorities should invest prudently the temporarily surplus funds held on behalf of their communities. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity. The guidance states that an Annual Investment Strategy must be produced in advance of the year to which it relates and must be approved by the full Council. The Strategy can be amended at any time and it must be made available to the public.

2. INVESTMENT VEHICLES AND CREDITWORTHINESS POLICY

2.1 In line with the guidance, this Annual Investment Strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the headings of Specified and Non Specified Investments. These are listed in paragraph 2.5 and detailed in Annex 1.

2.2 Specified investments are defined as those with a high credit rating, as outlined in the table below for each type of investment institution or vehicle . For deposits with Banks this is a Fitch sovereign rating at least equal to that of the United Kingdom at the point at which the investment was taken out, at least F1 short term, A+ long term (except in the case of a part or fully nationalised UK bank where the debts are guaranteed by the UK Government in which case the minimum long term rating will be A) , An explanation of credit rating terms appears in Appendix D.

2.3 In addition to the Fitch ratings, the Council will also have regard to the ratings published by the other 2 main agencies, Moody's and Standard & Poors together with any ratings watch notices issued by the 3 agencies as well as articles in the Financial press and market data. In addition to credit ratings the Council will also use Credit Default Swap data as supplied by Capita Asset Services – Treasury Solutions to determine the suitability of investing with counterparties. Credit Default Swaps (CDS) are a form of "insurance premium" against defaulting taken out by investors when making investments and if the Market perceives problems with the counterparty then the margin on the CDS will widen (i.e. the insurance premium will increase) thus providing warnings for future investors with that counterparty that it might have problems repaying their investment. The Council will monitor the CDS's on the counterparties within its lending list and if there are significant movements on a counterparty such as it moves out of a pre-determined range which will be determined with the aid of the Councils Treasury Consultants then that counterparty will be removed from the list until such time as it moves back within range.

2.4 For 2014/15, it is proposed to add 3 new investment vehicles to the list of Specified Investments, Variable Net Asset Value Money Market Funds, Corporate Bonds and Floating Rate Notes and these are discussed below:

A) Variable Net Asset Value Money Market Funds

Currently the Council's investments in Money Market Funds are restricted to what are termed Constant Net Asset Value funds (CNAV's) i.e. the capital value of the fund is constant so if you put a pound in you get a pound out. It is proposed to add Variable Net Asset Value Money Market Funds or VNAV's (typically described as "Cash Plus Funds") to our list of Specified Investments. These funds are designed to produce an enhanced return but as the name implies the capital invested in the fund is liable to variation in terms of value as typically the fund manager is required to take more risk (whether credit, interest rate or liquidity) than traditional CNAV's. This does not mean that there is necessarily a reduction in credit quality but the funds can produce more volatile daily returns and therefore should be viewed as a medium term (at least 3 to 6 months but preferably longer) investment vehicle. As mentioned above VNAV's are subject to more risk and this is best illustrated by a comparison between the risk parameters applied to our current Federated Prime Rate CNAV MMF and their VNAV MMF equivalent:-

	CNAV MMF	**Cash Plus Fund**
Maximum maturity of credit exposure	Maximum of 6 months for each issuer within the fund	Maximum of 2 years for each issuer within the fund
Maximum maturity of Floating Rate Note exposure	Maximum of 6 months for each issuer within the fund	Maximum of 2 years for each issuer within the fund
Maximum credit exposure over 7 days	Maximum of 5% exposure for each issuer	Maximum of 5% exposure for each issuer
Maximum % illiquid assets	0%	0%
Maximum % asset backed securities	0%	0%
Minimum % cash	25% overnight, 30% within a week	10% overnight, 15% within a week
Maximum weighted average maturity	48 days	6 months
Maximum weighted average life	60 days	365 days
Investment Universe (permitted counterparties)	N/A	Same but with longer permitted maturities

It can be seen that there is more risk in the Cash Plus Fund as investments within the fund are for longer periods i.e. the weighted average maturity and life are longer but not hugely so and significant amounts of cash are still retained in order to meet any demands for liquidity within the fund i.e. withdrawals by depositors.

Typically a VNAV MMF would invest in such assets as call and fixed bank deposits, Certificates of Deposits, Treasury bills, Commercial Paper, Corporate Bonds, Floating Rate Notes and Asset Backed Securities (effectively securities backed by residential mortgages, car loans, credit card debt etc) and the proportion of the portfolio that can be held in each individual asset class will be strictly controlled. As the assets within the fund are marked to market on a daily basis, the value of the capital invested in the fund can vary from day to day hence the need to consider a VNAV MMF as a medium term investment vehicle in order to "iron out" any temporary reductions in capital value. Over the medium term it is expected that the amount invested in the fund will rise as interest earned on investments outweighs any temporary negative valuation impact on the underlying value of the capital invested. In the case of the Federated Prime Rate Cash Plus fund the capital variance, assuming an investment of £100, has varied between £99.93 and £100.05 so it can be seen that risk to the Council's capital if investing in VNAV MMF's would be slight and more than offset by the additional interest earnt.

In terms of yield, these vary from fund to fund depending on the risk appetite of the fund manager and the types of investments held in the fund but as an illustration the Federated Prime Rate Cash Plus fund referred to above returned 1.12% (on an annualised since inception basis) in the year to the end of November 2013. By contrast, our investments in the CNAV equivalent yielded 0.4851% over the same period. VNAV MMF's run by other fund managers e.g. Ignis, Insight and SWIP yielded returns ranging from 0.59% to 0.94% over the same period, all of which exceeded the returns on any of our CNAV MMF's. Past yields are no guarantee of future performance but it can be seen that the addition of VNAV MMF's offers the opportunity of potentially increased investment returns for low capital risk in this current investment interest rate environment.

As already mentioned, it is recommended that investments in a VNAV MMF should be for the medium term i.e. 6 months and preferably longer. During 2012/13, the balance in our Federated Prime Rate CNAV MMF was maintained at £6m throughout the year and has been maintained at £9m during 2013/14 to date. It is clear therefore that there is a significant amount of what might be termed "medium to long term" cash flow monies that could be transferred to a new VNAV MMF fund and it is recommended that for 2014/15 an overall limit of £6m in VNAV MMF's funds be established.

B) Corporate Bonds

Corporate Bonds are issued by financial institutions such as banks and also Corporates e.g. Total, GE Electric, SSE, Volkswagen and so on in order to raise long term capital or funding. The bond offers a fixed interest rate (known as the coupon) which is payable twice a year and the bond is issued to a particular date (known as the maturity date) .The bonds are regularly bought and sold in the same way as Gilts and other tradable investments.

The bonds usually fall into one of two categories, investment grade bonds which have a credit rating of BBB or higher and high yield/speculative/junk bonds which are rated BB or lower. Corporate Bonds are rated in exactly the same way as banks so in line with our minimum long term credit rating criteria for banks the Council will only invest in Investment grade bonds rated by Fitch as A+ or higher (private sector institutions) or A or higher in respect of banks partly or wholly owned by the UK Government.

The bond will be purchased on a buy and hold basis i.e. the bond once purchased will be held until it matures as in our case, the objectives of such a purchase are to gain additional interest over other forms of investment vehicles i.e. money market deposits as opposed to any potential capital gain that might occur and also to spread the counterparty risk in the portfolio as we will have access to new counterparties.

In addition, in order to further protect the Council's investment in the event of a default in repayment by the bond issuer the bond purchased must be ranked as at least senior unsecured debt in the bond issuers Balance Sheet. Finally, the Council will only invest directly in Corporate Bonds with a maximum duration to maturity of two years. Any investments in Corporate Bonds beyond that duration will be via a Corporate Bond Fund (see 2.6a below)

The use of Corporate Bonds in 2014/15 is likely to be fairly limited but by way of illustration, in terms of yield Corporate Bonds issued by American Express (A+) and Rabobank (AA-) with a remaining term to maturity of 10-11 months are currently yielding 0.65% to 0.70% which compares favourably with the 1 year rate for fixed term investments with other Local Authorities of 0.60%.

As Corporate Bonds are a direct investment with a counterparty in much the same way as a fixed term deposit or Certificate of Deposit is, it is recommended that they are subject to the overall limit allocated to that type of counterparty as outlined in the Specified and Non –Specified Investments tables below.

C) Floating Rate Notes

Floating Rate Notes (FRN's) are corporate bonds where the interest rate is initially set at a fixed margin above 3 month LIBOR (London Inter Bank Offered Rate) and then reset every 3 months. They are issued by financial institutions and corporates and they are rated in exactly the same way as "standard" Corporate Bonds so it is proposed that the same credit rating criteria and counterparty limits as apply to Corporate Bonds should also apply to FRN's. They are very useful in a rising interest rate market as they protect our interest rate exposure to a maximum of 3 months. In the current low interest rate market it is unlikely that the Council will make use of Floating Rate Notes in 2014/15 but it is thought appropriate to add them now to our Specified Investments for future use

2.5 The types of investment that the council can use are listed below and described in more detail in Annex 1. These are split under the headings of specified and non-specified in accordance with statutory guidance.

Specified Instruments (maximum period 364 Days)

- Deposits with banks and building societies
- Deposits with UK Government, Nationalised Industries, Public Corporations, UK Housing Associations and UK Local Authorities
- UK Government Gilts with less than one year to maturity
- Debt Management Agency Deposit Facility (DMADF)
- Constant Net Asset Value Money Market Funds (AAA rated)
- Variable Net Asset Value Money Market Funds (AAAf rated)
- Certificates of deposits issued by banks and building societies
- Corporate Bonds issued by private sector financial institutions
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government

- Corporate Bonds issued by corporates
- 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

Non Specified Investments

- Deposits with unrated building societies
- Deposits with banks and building societies greater than 364 days
- Deposits with UK Housing Associations and UK Local Authorities greater than 364 days
- Certificates of deposits issued by banks and building societies greater than 364 days
- Corporate Bonds issued by private sector financial institutions greater than 364 days
- Corporate Bonds issued by financial institutions partly or wholly owned by the UK Government greater than 364 days
- Corporate Bonds issued by corporates greater than 364 days
- Corporate Bond Funds
- Regulated Property Funds including Real Estate Investment Trusts
- CCLA Property Fund
- Day to Day balances where Council's bankers do not meet the minimum bank credit rating criteria
- UK Government Gilts with over 364 days to maturity
- Supranational Bonds issued by Supranational Institutions or Multi Lateral Development with over 364 days to maturity

2.6 It is necessary to outline the reasons why the Council would use non specified investments and also the risks involved. The use of unrated building societies alongside Business Reserve and Call Accounts and Money Market Funds forms a useful tool for investing relatively small amounts of money for short periods of time (up to 3 months) and obtaining a decent return on the investment. There is of course a risk that the Building Society may fail during the maximum 3 month duration of an investment but this is not considered likely. As an additional safeguard, the Council will only invest in Category C i.e. unrated Building Societies with an asset value of £500m and over. In addition, investments in category C building societies are restricted to a group limit of £8m. With regard to deposits for more than one year, the advantage from a treasury management point of view is that there is a known rate of return over the period that the monies are invested which aids forward planning. There is however the increased risk due to the longer time span that a) the institution fails or b) interest rates rise in the meantime which is unlikely in the timeframe of the 2014/15 strategy. The current limit for investments longer than 364 days is 40% of the core investment portfolio subject to a maximum of £9 million at any one time and the maximum duration is 2 years. The proposed use of longer term investment vehicles such as Corporate Bond Funds and Property Funds (see paragraph 2.6 below) require these parameters to be changed. It is proposed that the maximum investment in Corporate Bond Funds and Property Funds is set at £5 million for each category of fund subject to an overall maximum of £10 million and that the maximum duration for these funds is set at 10 years although it is recognised that the Council is unlikely to operate a Corporate Bond Fund and Property Fund simultaneously and is also unlikely to utilise the full £10 million limit at any one time. In order to allow for these new long term vehicles and to retain sufficient flexibility within the strategy for core investments it is proposed to increase the current 40% limit for investments greater than 364 days to 60%. In line with the advice received from our Treasury Consultants it is also proposed that the maximum duration limit for investments with other Local Authorities is raised from 2 years to 5 years. The maximum duration for all other investment vehicles remains at 2 years. It is anticipated that the Council's average core investments will amount to £25m in 2014/15 and applying the new 60% limit will produce a maximum limit of £15m as opposed to the old £9m. The Council will manage its exposure to Corporate Bond Funds and Property Funds within this new limit with the balance of the limit being available for other investments with maturities up to 5 years.

2.7 As well as Corporate Bonds with a maturity date beyond 364 days, it is proposed to add Corporate Bond Funds and Property Funds to the list of Non Specified investments for 2014/15. These are discussed further below:-

A) Corporate Bond Funds

Corporate Bond Funds are as their name implies , pooled investment vehicles managed by professional fund managers which offer the potential for increased investment yields over the medium term i.e. 5 years and upwards. The fund holds bonds issued by a variety of institutions such as Government, Financial and Corporates with a mix of yields and credit quality and the object is to offer an enhanced yield without significant exposure to credit risk although it is up to the Council to determine what portfolio composition it is comfortable with.

Should the Council consider investing in a Corporate Bond fund it will only do so after identifying the level of core investment funds that it can set aside for a minimum of 5 years. It will also conduct a rigorous selection process in conjunction with its Treasury Advisers and it will only invest in a Sterling denominated investment grade fund.

By way of an indication of the sort of returns that can be generated, the Royal London Asset Management Sterling Credit Fund return over the past 5 years was 65.66% which outperformed its benchmark (iBoxx Sterling Non Gilts All Maturities Index) by 15.5% and the return for the last 12 months to November 2013 was 3.36%. It should be borne in mind that this is past performance and therefore no indicator of what returns might be achieved in the future but when viewed in the long term investing in a Corporate Bond Fund should provide a useful pick up in yield over our current investment vehicles..

B) Property Funds

Property Funds also offer an opportunity for enhanced yields in the medium to long term (5 to 10 years). There are two types of Property Fund, regulated and unregulated. A Regulated fund is authorised or recognised under the Financial Services and Markets Act 2000 and investments into these funds do not count as capital expenditure whereas investments into an unregulated fund do with the exception of the CCLA Local Authorities property fund due to an arrangement with HM Treasury.

A typical Property Fund owns and operates income producing properties and derives its income from the rentals paid by the occupants of those properties and any capital gains as a result of buying, refurbishing and selling of properties. Property Funds can provide stable returns in terms of fixed period rents and active management of the property portfolio can achieve higher rental income than average by selecting areas of growing demand or through refurbishments. The use of a Property Fund diversifies the investment portfolio and can provide attractive yields. For example, the CCLA Local Authorities Property Fund which has been running since 1972 had over the three years to 30th June 2013 an investment return of 5.8% (2.6% in the 1 year to 30th June 2013).which is comfortably above the Council's return from its core investments over the same period utilising traditional investment vehicles such as fixed term money market deposits.

As already mentioned, investing in Property Funds should be viewed as a long term strategy and should the Council consider investing in a Property Fund it will only do so after identifying the level of core investment funds that it can set aside for a minimum of 5 years. It will also conduct a rigorous selection process in conjunction with its Treasury Advisers.

No investments for more than 364 days excluding any forward deal periods will be made without the advice of our Treasury Consultants on the likely movement of interest rates over the period of the proposed investment and any investments over 364 days with building societies will be limited to £1m per counterparty**.**

2.8 Although the Council does not expect to use external investment agents in 2014/15, they are included in the circumstance of use column in the previous tables to allow for their possible use should it be appropriate to do so.

2.9 As a means of further diversifying risk whilst obtaining a reasonable return for cash flow derived investments, the Council uses the SunGard Money Market Funds Portal which will enable it to open further Money Market Funds as necessary and to be able to see on a daily basis before deciding with whom to invest which funds are offering the best rates.

3. INVESTMENT OBJECTIVES

3.1 All investments will be in sterling. The Council's investment priorities are the security and liquidity of its investments. The Council's objective will be to maximise the return whilst safeguarding the capital sum and avoiding cash flow problems. The Council will not engage in borrowing for purely investment purposes.

4. SECURITY OF CAPITAL

4.1 The Council relies on credit ratings published by Fitch Ratings which are supplied to it by its Treasury Advisers, whilst not the principal credit rating service used by the Council, attention will also be paid to credit ratings published by Moody's Investor Services and Standard & Poor's which are also supplied by Sector in order to broaden the sources of intelligence from which the Council gathers opinions on the performance of its investment counterparties. These ratings are used to establish the credit quality of counterparties and investment schemes. These institutions also issue regular ratings watch bulletins and where these are negative and affect one of our counterparties this will be taken into account when deciding whether or not to place future investments with them. The Council has also determined the minimum long term (365 days or more), short term (364 days or less) and other credit ratings it deems to be high for each category of investment and these are as shown in paragraph 2.3 above.

4.2 Individual credit ratings will be revised as and when changes are notified to the Council by its Treasury Advisers. If a counterparty's or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria then the counterparty / investment vehicle will no longer be used with immediate effect. This also applies to investments placed by fund managers. Similarly if a counterparty is upgraded so that it meets the Council's minimum credit rating requirements then it will be added to the Council's counterparty list.

4.3 The Council will also use the Credit Default Swap (CDS) information supplied by its Treasury Consultants to determine levels of investments with its counterparties once they have been selected using the criteria set out in 2.4 above. Counterparties with an in range CDS (as determined by our consultants) will be invested in as per the limits defined for that particular category of counterparty . Those counterparties with either a monitoring or an out of range status will not be invested in until their CDS returns to within range.

5. INVESTMENT BALANCES / LIQUIDITY OF INVESTMENTS

5.1 Based on its cash flow forecasts, the Council anticipates that its investments in 2014/15 on average will be in the region of £48m of which £25m will be "core" investments i.e. made up of reserves and balances which are not required in the short term.

5.2 The maximum percentage of its core investments that the Council will hold in long term investments (365 days or over) is 60%. It follows therefore that the minimum percentage of its overall investments that the Council will hold in short term investments (364 days or less) is 40% . 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 60% of the core investment portfolio subject to a total of £15 million at any one time in line with the proposed Prudential Indicator covering this issue. These limits will apply jointly to the in house team and any fund manager so that the overall ceilings of 60% and £15 million are not breached.

6. INVESTMENT STRATEGY

6.1 The Council will continue to make use of MoneyMarket Funds (MMF's) and the Money Markets to invest cash flow driven money to known dates where large debts such as precepts, NNDR etc. have to be paid out. Based on the cash flow experienced to date in 2013/14 it is unlikely that this will result in the average length of a cash flow investment being more than 3 months in 2014/15 and probably considerably less. Core investments (i.e. investments not needed for payment of debts) will continue to be invested in the best part of the market based on the advice issued by our Treasury Advisers.

6.2 The 2014/15 interest rate outlook is for Bank Rate to remain at 0.50%

throughout the year depressing investment returns so in order to try and maximise the return on our investments whilst fully protecting the security of the capital, the Treasury Function has considered various ideas and it is proposed that variable Net Asset Value Money Market Funds, Corporate Bonds, Floating Rate Notes, Corporate Bond Funds and Property Funds are added to the types of investment vehicles in which the Council is permitted to invest. In the case of Corporate Bonds and Floating Rate Notes any such investments will count against the overall limit for each type of counterparty as defined in the table in Annex 1.

6.3 Based on current investment policies and interest rate projections, it is currently estimated that the overall portfolio will achieve a 0.64% return for 2014/15.

7. EXTERNAL CASH FUND MANAGEMENT

7.1 The performance of fund managers will be kept under review using our Treasury Consultants and should it be felt appropriate to do so then the Council may engage a fund manager in order to enhance returns and spread risk. The appointment process will be subject to the Council’s procurement rules and handled in conjunction with our Treasury Consultants in order to ensure that the Council secures best value.

8. END OF YEAR INVESTMENT REPORT

8.1 In accordance with the requirements of the Treasury Management Code of Practice, the Treasury Management function reports on its in year activities to the Finance & Audit Scrutiny Committee twice a year i.e. at mid year and at the end of the year.

APPENDIX C

MINIMUM REVENUE PROVISION POLICY STATEMENT

1. BACKGROUND

1.1 Capital expenditure can be financed in a number of ways, not least of which is through borrowing and credit arrangements such as finance leases. The use of these 2 methods involves the Council in setting aside resources each year in order to eventually pay off the liability for example a maturing PWLB loan. Until recently, this set aside was prescribed nationally through Statutory regulations and was set at 4% per annum of the General Fund Capital Financing requirement (CFR). There was no similar requirement within the Housing Revenue Account although Council's could make voluntary provision if they so wished. The statutory regulations were superseded by statutory guidance issued under Statutory Instrument 2008 no.414 which says that " A local authority shall determine for the current financial year an amount of minimum revenue provision (MRP) that it considers prudent" .Where a Council's CFR at the end of the preceding year is nil or negative there is no requirement to charge MRP.

1.2 It is a requirement of the statutory guidance that a statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which it relates. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

2. THE FOUR MAIN OPTIONS

Option 1 – Regulatory Method

2.1 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 1/4/08 and 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.

Option 2 – Capital Financing Requirement Method.

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

Option 3 – Asset Life Method.

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

2.4 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.

Option 4 – Depreciation Method.

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

3. HRA MINIMUM REVENUE PROVISION.

3.1 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 28th March 2012. Repayment of this debt is currently provided for commencing in year 41 (2052/53) and continuing through to year 50 year of the Business Plan. Provision will also have to be made for any use made of the £13.843m "headroom" between the Self Financing debt settlement i.e. the PWLB borrowing and the "Debt Cap" imposed by the Government.

4. RECOMMENDATION FOR 2014/2015.

4.1 It is recommended that for any long term borrowing on the General Fund which is incurred in 2014/2015, the following methods of Minimum Revenue Provision be adopted:-

For borrowing which cannot be linked to a particular asset – Option 2.
For borrowing linked to a particular asset – Option 3 based on the annuity method.

4.2 For any borrowing incurred through Finance Leases, the annual principal repayments in the lease are regarded as MRP.

4.3 Although not strictly part of Minimum Revenue Provision requirements, it is also recommended that for internal borrowing (i.e. capital expenditure financed from reserves) , where appropriate, Option 3 based on the annuity method be adopted as a means of replenishing those reserves which financed the capital expenditure.

4.4 With regard to the HRA, annual MRP to be equal to any amounts set aside for debt repayment within the Business Plan which currently is nil for 2014/15.

APPENDIX D

AN EXPLANATION OF CREDIT RATING TERMS

1. Sovereign Credit Rating

1.1 Fitch assigns a long term credit rating to the country in which the financial institution being rated is domiciled. This credit rating assesses the economic health of the country including its ability to service its debt and also its capacity to support the banking system in that country should financial support be required. The assessment follows the normal long term rating scale, the highest rating being AAA with anything below BBB being non investment grade i.e. "junk bond status". The UK has a AAA rating and the Council's policy is to invest only in institutions where the state in which they are domiciled has at least the same sovereign rating as the UK at the point in time when the investment was placed.

2. International Long - Term Credit Ratings

2.1 Long - term credit ratings are an attempt to assess the ongoing stability of an institutions prospective financial condition given such factors as sensitivity to fluctuations in market conditions and the capacity for maintaining profitability or absorbing losses in a difficult operating environment. Traditionally they look beyond a 12 month horizon. Investment grade ratings range from BBB to AAA.

2.2 With the exception of those institutions referred to in paragraph 2.3, the minimum rating that WDC will use is A+ which is mid range in the ratings referred to above. A ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. + is used to indicate a better than average status within the category.

2.3 Where an institution is either partly or wholly owned by the UK Government e.g. Lloyds Banking Group, Royal Bank of Scotland the minimum long term rating will be A in recognition of the fact that the UK Government is behind the institution as "lender of last resort".

3. International Short - Term Credit Ratings

3.1 A short - term rating has a timescale of less than 12 months for most obligations and thus places greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

3.2 The minimum rating that WDC will use is F1. This indicates the strongest capacity for timely payment of financial commitments. It may have a + added to it to denote any exceptionally strong credit feature.

4. Viability Ratings

4.1 Viability ratings are a relatively new introduction by Fitch and effectively replace the old Individual ratings. The viability rating represents the capacity of a bank to maintain ongoing operations and to avoid failure in the absence of external e.g. Governmental support , Thus, viability ratings permit an evaluation separate from any consideration of outside support.

4.2 The Council's minimum individual rating is BBB which denotes good prospects for ongoing viability. The bank's fundamentals are adequate such that there is a low risk that it would have to rely on extraordinary support to avoid default. However, adverse business or economic conditions are more likely to impair this capacity rather than say an A rating.

5. Support Indicator

5.1 This indicator gives an indication as to how much external support , predominately from the state, a bank could expect to receive if it were to run into difficulties. The range is from 1 to 5 with 1 being the highest degree of support and 5 the lowest. 1 is assigned only to banks for which there is an extremely high probability of external support e.g. Barclays Bank in the UK. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question e.g. the UK Government which is rated AA+. WDC will only invest in institutions with a Support Indicator of 1.

APPENDIX E

Capita Asset Services' View of the Economic Background

1. THE UK ECONOMY

1.1 **Economic growth.** Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth strongly rebounded in 2013 - quarter 1 (+0.3%), 2 (+0.7%) and 3 (+0.7%), to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The Bank of England has, therefore, upgraded growth forecasts in the February quarterly Inflation Report for 2014 to 3.4%, 2015 to 2.7% and 2016 to 2.8% The February Report stated that: -

The UK recovery has gained momentum and inflation has returned to the 2% target. Reduced uncertainty, easier credit conditions and the stimulative stance of monetary policy should support continued solid economic growth, with the expansion in demand becoming more entrenched and more broadly based.
Robust growth has not so far been accompanied by a material pickup in productivity. Instead, employment gains have been exceptionally strong and unemployment has fallen much more rapidly than expected. The LFS headline unemployment rate is likely to reach the MPC's 7% threshold by the spring of this year. Even so, the Committee judges that there remains spare capacity concentrated in the labour market.
Inflation is likely to remain close to the target over the forecast period. Given this, and with spare capacity remaining, the MPC judges that there remains scope to absorb slack further before raising Bank Rate. Moreover, the continuation of significant headwinds — both at home and from abroad — mean that Bank Rate may need to remain at low levels for some time to come.

1.2 **Forward guidance.** The Bank of England issued forward guidance in August which stated that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) had fallen to 7% or below. However, unemployment has fallen much quicker than the Bank expected and currently (17.2.14) stands at 7.1%. Accordingly, the Bank has now broadened its approach as follows: -

1. The MPC reckons there is spare capacity in the economy of 1-1.5% of GDP, mainly in the labour market
2. They will refrain from raising Bank Rate until a significant inroad has been made into reducing this spare capacity

3. They will provide additional forecasts based on eighteen economic indicators which they will take into account in considering the path of Bank Rate and QE
4. First increase in Bank Rate likely to be around Q2 2015
5. Rate rises will be slow and gradual (translation - probably 25bp per quarter)
6. Carney expected that Bank Rate would be around 2% in three years time i.e. Q1 2017
7. Bank Rate is unlikely to get back up to pre crisis levels of 5% even when the economy has returned to normal
8. The Bank will not sell any of their portfolio of asset purchases before the first rise in the Bank Rate (but that does not mean they WILL start then!) and will also reinvest maturing gilts until then
9. They were more pessimistic on growth of productivity which has failed to keep pace with rises in output
10. They will make it a priority to protect growth in the economy provided inflation remains subdued (inflation forecast to be well behaved over the next two years: 1.9% in two year's time)

1.3 Forward surveys are currently very positive in indicating that growth prospects are strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established. One drag on the economy is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates.

1.4 **Credit conditions.** While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS) was extended to encourage banks to expand lending to small and medium size enterprises. The second phase of Help to Buy aimed at supporting the purchase of second hand properties, started in earnest in January 2014. These measures have been so successful in boosting the supply of credit for mortgages, and so of increasing house purchases, (though levels are still far below the pre-crisis level), that the Bank of England announced at the end of November that the FLS for mortgages would end in February 2014. While there have been concerns that these schemes are creating a bubble in the housing market, house price increases outside of London and the south-east have been much weaker. The Bank does not feel that Bank Rate increases would be effective in reducing house price inflation in London as a large part of property purchases is being done as cash transactions and / or by foreign purchasers, and is aggravated by a major short fall in new housing supply compared to the level of demand. As for bank lending to small and medium enterprises, this continues to remain weak and inhibited by banks still repairing their balance sheets and anticipating tightening of regulatory requirements.

1.5 **Inflation.** Inflation has fallen from a peak of 3.1% in June 2013 to 2.0% in December. It is expected to remain near to the 2% target level over the MPC's two year time horizon.

1.6 **AAA rating.** The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

2. THE GLOBAL ECONOMY

2.1 **The Eurozone (EZ).** The sovereign debt crisis eased considerably during 2013 which was a year of comparative calm after the hiatus of the Cyprus bailout in the spring. In December, Ireland escaped from its three year EZ bailout programme as it had dynamically addressed the need to substantially cut the growth in government debt, reduce internal price and wage levels and promote economic growth. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2012 figures) of Greece 176%, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%, remain a cause of concern, especially as many of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are continuing to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Whilst a Greek exit from the Euro is now improbable in the short term, as Greece has made considerable progress in reducing its annual government deficit and a return towards some economic growth, some commentators still view an eventual exit as being likely. There are also concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks.

2.2 Sentiment in financial markets improved considerably during 2013 as a result of firm Eurozone commitment to support struggling countries and to keep the Eurozone intact. However, the foundations to this current "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which have unemployment rates of over 26% and unemployment among younger people of over 50 – 60%. The Italian political situation is also fraught with difficulties in maintaining a viable coalition which will implement an EZ imposed austerity programme and undertake overdue reforms to government and the economy. There are also concerns over the lack of political will in France to address issues of poor international competitiveness,

2.3 **USA.** The economy has managed to return to robust growth in Q2 2013 of 2.5% y/y and 3.6% y/y in Q3, in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation. The Federal Reserve therefore decided in December to reduce its $85bn per month asset purchases programme of quantitative easing by $10bn and by another $10bn in January. It also amended its forward guidance on its pledge not to increase the central rate until unemployment falls to 6.5% by adding that there would be no increases in the central rate until 'well past the time that the unemployment rate declines below 6.5%, especially if projected inflation continues to run below the 2% longer run goal'. Consumer, investor and business confidence levels have all improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels. Many house owners have, therefore, been helped to escape from negative equity and banks have also largely repaired their damaged balance sheets so that they can resume healthy levels of lending. All this portends well for a reasonable growth rate looking forward.

2.4 **China.** There are concerns that Chinese growth could be on an overall marginal downward annual trend. There are also concerns that the new Chinese leadership have only started to address an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

2.5 **Japan.** The initial euphoria generated by "Abenomics", the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and the introduction of other economic reforms, appears to have stalled. However, at long last, Japan has seen a return to reasonable growth and positive inflation during 2013 which augurs well for the hopes that Japan can escape from the bog of stagnation and deflation and so help to support world growth. The fiscal challenges though are huge; the gross debt to GDP ratio is about 245% in 2013 while the government is currently running an annual fiscal deficit of around 50% of total government expenditure. Within two years, the central bank will end up purchasing about Y190 trillion (£1,200 billion) of government debt. In addition, the population is ageing due to a low birth rate and, on current trends, will fall from 128m to 100m by 2050.

3. CAPITA ASSET SERVICES FORWARD VIEW

3.1 Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

3.2 There could well be volatility in gilt yields over the next year as financial markets anticipate further tapering of asset purchases by the Fed. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields. However, the political deadlock and infighting between Democrats and Republicans over the budget and raising of the debt limit, has finally been resolved. This removes two destabilising issues for bond yields but investor concerns over the impact of tapering on emerging market countries created a surge of volatility during January, and especially in reaction to adverse political and economic developments in Argentina and Turkey.

3.3 The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

3.4 The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

3.5 The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see a significant increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

3.6 Downside risks currently include:

- UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded.
- A weak rebalancing of UK growth to exporting and business investment causing a major weakening of overall economic growth beyond 2014
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Prolonged political disagreement over the raising of the US debt ceiling.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalising of European banks requiring more government financial support
- Lack of support by populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable; this will cause major difficulties in implementing austerity measures and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- A lack of political will in France, (the second largest economy in the EZ), to dynamically address fundamental issues of low growth, poor international uncompetitiveness and the need for overdue reforms of the economy.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia which could trigger safe haven flows back into bonds.

3.7 The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A further upturn in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

APPENDIX F

GLOSSARY OF TERMS

Basis Point (BP)	1/100th of 1%, i.e. 0.01%
Bank Rate	Minimum lending rate of a bank or financial institution in the UK.
Benchmark	A measure against which the investment policy or performance of a fund manager can be compared.
Bill of Exchange	A financial instrument financing trade.
Callable Deposit	A deposit placed with a bank or building society at a set rate for a set amount of time. However, the borrower has the right to repay the funds on pre agreed dates, before maturity. This decision is based on how market rates have moved since the deal was agreed. If rates have fallen the likelihood of the deposit being repaid rises, as cheaper money can be found by the borrower.
Cash Fund Management	Fund management is the management of an investment portfolio of cash on behalf of a private client or an institution, the receipts and distribution of dividends and interest, and all other administrative work in connection with the portfolio.
Certificate of Deposit (CD)	Evidence of a deposit with a specified bank or building society repayable on a fixed date. They are negotiable instruments and have a secondary market; therefore the holder of a CD is able to sell it to a third party before the maturity of the CD.
Commercial Paper	Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations and other borrowers. Such instruments are unsecured and usually discounted, although some may be interest bearing.
Corporate Bond	Strictly speaking, corporate bonds are those issued by companies. However, the term is used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Counterparty	Another (or the other) party to an agreement or other market contract (e.g. lender/borrower/writer of a

	swap/etc.)
CDS	Credit Default Swap – a swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the swap.
CFR	Capital Financing Requirement.
CIPFA	Chartered Institute of Public Finance and Accountancy.
CLG	Department for Communities and Local Government.
Derivative	A contract whose value is based on the performance of an underlying financial asset, index or other investment, e.g. an option is a derivative because its value changes in relation to the performance of an underlying stock.
DMADF	Deposit Account offered by the Debt Management Office, guaranteed by the UK government.
ECB	European Central Bank – sets the central interest rates in the EMU area. The ECB determines the targets itself for its interest rate setting policy; this is the keep inflation within a band of 0 to 2%. It does not accept that monetary policy is to be used to manage fluctuations in unemployment and growth caused by the business cycle.
Equity	A share in a company with limited liability. It generally enables the holder to share in the profitability of the company through dividend payments and capital gain.
Forward Deal	The act of agreeing today to deposit funds with an institution for an agreed time limit, on an agreed future date, at an agreed rate.
Forward Deposits	Same as forward dealing (above).
Fiscal Policy	The government policy on taxation and welfare payments.
GDP	Gross Domestic Product.
Gilt	Registered british government securities giving the investor an absolute commitment from the government to honour the debt that those securities

	represent.
Money Market Fund	A well rated, highly diversified pooled investment vehicle whose assets mainly comprise of short-term instruments. It is very similar to a unit trust.
Monetary Policy Committee (MPC)	Government body that sets the bank rate (commonly referred to as being base rate). Their primary target is to keep inflation within plus or minus 1% of a central target of 2.5% in two years time from the date of the monthly meeting of the committee. Their secondary target is to support the government in maintaining high and stable levels of growth and employment.
Other Bond Funds	Pooled funds investing in a wide range of bonds.
PWLB	Public Works Loan Board.
QE	Quantitative Easing.
Retail Price Index	Measurement of the monthly change in the average level of prices at the retail level weighted by the average expenditure pattern of the average person.
Sovereign Issues (Ex UK Gilts)	Bonds issued or guaranteed by nation states, but excluding UK government bonds.
Supranational Bonds	Bonds issued by supranational bodies, e.g. European Investment Bank. The bonds – also known as Multilateral Development Bank bonds – are generally AAA rated and behave similarly to gilts, but pay a higher yield ("spread") given their relative illiquidity when compared with gilts.
Treasury Bill	Treasury bills are short-term debt instruments issued by the UK or other governments. They provide a return to the investor by virtue of being issued at a discount to their final redemption value.

Table 2: Counterparty limits

APPENDIX B ANNEX 1

Investment / Counterparty type:	S/term	L/term	Viability / Support	Security / Min credit rating	Max limit per counterparty	Max. Maturity period	Use	Notes ref:
Specified instrument: (repayable within 12 months)	(FITCH or equivalent)							
DMADF	n/a			UK Sovereign	£12m	364 days	In House & EFM*	
UK Govt., Local Authorities / Public Corporations /Nationalised Industries	n/a		High		£9m	364 days	In House & EFM*	11
Bank - part nationalised UK	F1	A	BBB/1	UK Sovereign	£9m	364 days	In House & EFM*	1 & 2
Bank UK(2)	F1	A+	BBB/1	UK Sovereign	£5m	364 days	In House & EFM*	1 & 2
Bank subsidairies of UK Banks	Unrated			Explicit Parent Guarantee	£5m	3 months	In House & EFM*	1 & 3
Money Market Fund(CNAV)	AAAm / Aaa-mf/AAAmmf				£9m	liquid	In House & EFM*	
Money Market Fund (VNAV)	AAAf S1 / Aaa-bf/ AAA/V1				£6m	liquid	In House & EFM*	4
Building Societies - category A	F1	A+		UK Sovereign	£4m	364 days	In House & EFM*	1
Building Societies - category B	F1			UK Sovereign	£2m	364 days	In House & EFM*	1
Corporate bonds - category 1		A+		UK Sovereign	£5m	364 days	In House & EFM*	5
Corporate bonds - category 2		A			£9m	364 days	In House & EFM*	5
Corporate bonds - category 3		A+			£3m	364 days	In House & EFM*	5
Bonds - Supranational / Multi Lateral Development Banks	AAA / Govt Guarantee				£5m	364 days	In House & EFM*	
Floating Rate Notes - category 1		A+			£5m	364 days	In House & EFM*	6
Floating Rate Notes - category 2		A			£9m	364 days	In House & EFM*	6
Floating Rate Notes - category 3		A+			£3m	364 days	In House & EFM*	6
Eligible Bank Bills	n/a			Determined by EFM	£5m	364 days	EFM*	
Sterling Securities guaranteed by HM Government	n/a			UK Sovereign	9m	not defined	EFM*	

Investment / Counterparty type:	S/term	L/term	Viability / Support	Security / Min credit rating	Max limit per counterparty	Max. Maturity period	Use	Notes ref:
Non-specified instruments	**(FITCH or equivalent)**							
Building societies - assets > £500m	unrated category C				£1m	3 months	In House	1 & 9
Bank deposits > 1 year	F1+	A+	BBB/1	UK Sovereign	£5m	2 years	In House +Advice & EFM*	1,2, & 10
Bank - part nationalised UK > 1 year	F1	A	BBB/1	UK Sovereign	£9m	2 years	In House +Advice & EFM*	1,2, & 10
Building societies - > 1 year	F1	A+	BBB/1	UK Sovereign	£1m	2 years	In House +Advice & EFM*	1 & 10
Local Authorities > 1 year	n/a		High		£9m	5 years	In House +Advice	10
Corporate bonds - category 1 > 1 year		A+		UK Sovereign	£5m	2 years	In House & EFM*	5 & 10
Corporate bonds - category 2 > 1 year		A			£9m	2 years	In House & EFM*	5 & 10
Corporate bonds - category 3 > 1 year		A+			£3m	2 years	In House & EFM*	5 & 10
Corporate Bond Funds			BBB		£5m	10 years	In House +Advice & EFM*	10
Pooled property fund eg: REITS				Authorised FS&MA	£5m	10 years	In House +Advice	10
CCLA property funds	n/a			see note 8	£5m	10 years	In House +Advice	7 & 10
Day to day balances	n/a				n/a	n/a	In House	8

Notes:

* EFM = External Fund Manager

All maximum maturity periods include any forward deal period

1. Includes Business Call Reserve Accounts and special tranches and any other form of investment with that institution e.g. Certificate of Deposits, Corporate Bonds.
2. Counterparty Limit is also the Group Limit where investments are with different but related institutions.
3. Unrated but with explicit guarantee by parent + parent meets minimum ratings of : S/term F1 L/Term A+(A if owned or part-owned by UK Government) viability BBB, support indicator of 1. 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 pr part owned by the UK Govt
   Category 3: Issued by Corporates
6. Floating Rate Notes - categories as per note 5 above.
7. Security of Trustee of fund (LAMIT) controlled by LGA, COSLA who appoint the members and officers of LAMIT.
8. Minimum exposure to credit risk as overnight balances only.
9. Group limit of £8m
10. £10m overall limit for Corporate Bond/Property Funds & £15m limit for all counterparties.
11. UK Government includes Gilt Edged Securities and Treasury Bills

WARWICK DISTRICT COUNCIL	Executive – 12 March 2014	Agenda Item No. **5**

Title	Housing Strategy 2014-17 Delivery Plan
For further information about this report please contact	Ken Bruno Housing Strategy & Development Officer
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	Council – 4 December 2013, minute 78
Background Papers	Housing Strategy 2014-17

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes (565)
Equality & Sustainability Impact Assessment Undertaken	Yes
The Housing Strategy was subjected to an Equality & Sustainability Impact Assessment on 9 October 2013.	

Officer/Councillor Approval

Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	7/2/14	Andrew Jones
Head of Service	7/2/14 12/2/14	Andrew Jones Tracy Darke
CMT	18/2/14	Chris Elliott, Bill Hunt
Section 151 Officer	13/2/14	Mike Snow
Monitoring Officer	7/2/14	Andrew Jones
Finance	13/2/14	Mike Snow
Portfolio Holder(s)	19/2/14	Cllr Norman Vincett

Consultation & Community Engagement

The Housing Strategy was subject to wide-ranging consultation as set out in the strategy statement as follows: the draft priorities chart and an invitation to an options appraisal event were sent to:

- Parish, town, district and county councillors;
- Warwick District Council housing staff and tenants' representatives;
- The Housing Sounding Board (which includes a range of voluntary sector organisations);
- Warwickshire County Council's Public Health, Supporting People and Social Care teams;
- Local housing associations' development and management staff;
- Warwickshire Rural Community Council;

- Neighbourhood forums;
- Neighbouring local authorities;
- Landlord Steering Group; and
- The Local Enterprise Partnership.

In addition an article was placed on the council's intranet inviting views from all staff, a press release was issued, an alert was put out on Twitter and a stand was taken at a Tenants' Open Day.

Virtually all of the actions included in this delivery plan came from that process and the results of that consultation will continue to inform future reviews of the strategy if resources become available to introduce other actions.

Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. **SUMMARY**

1.1 A new Housing Strategy for the council for 2014 to 2017 was approved by Council in December 2013 and committed to bringing forward a more detailed delivery plan in March 2014.

1.2 Appended to this report is the delivery plan for approval.

2. **RECOMMENDATION**

2.1 Executive is recommended to approve the Housing Strategy Delivery Plan 2014-17.

3. **REASONS FOR THE RECOMMENDATION**

3.1 A new Housing Strategy was approved by Executive in November 2013 and ratified by Council in December 2013. This followed a substantial consultation exercise and an analysis of the local housing situation and the corporate policy environment.

3.2 The strategy sets out the broad framework for the council's housing and associated services for the three-year period from 2014-2017. It included a commitment to reporting a detailed delivery plan for approval by March 2014 and this recommendation fulfils that commitment.

3.2 Approval of the delivery plan will enable us to take forward work on housing and associated services in the strategic manner set out and approved in the Housing Strategy 2014 - 2017.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework** – This delivery plan is being reported in the manner set out in the Housing Strategy and approved by full Council in December 2013. It supplements the original strategy and is entirely consistent with the Housing Investment Programme Strategy.

It includes some actions which will ultimately be resolved through the Local Plan process and a Supplementary Planning Document but it does not seek to change Development Plan Documents.

4.2 **Fit for the Future** – The Housing Strategy 2014-17 was firmly embedded within the broader policy framework established by the recently refreshed Sustainable Community Strategy (SCS). The Housing Strategy has three key priorities:

- Enabling and providing services that help people to sustain their homes;
- Meeting the need for housing across the district; and
- Raising standards of management, repair and improvement of existing housing and neighbourhoods.

4.3 Housing is a key thematic priority within the SCS and taking action on the three key priorities of the Housing Strategy will help to address the specific housing problems of the district and also contribute to the other priorities of the SCS: prosperity; health and well-being; safer communities; and sustainability.

5. **BUDGETARY FRAMEWORK**

5.1 Those actions within the delivery plan with an early start date have existing resources now identified to undertake them. A bid of around £7,000 will be made during 2014/15 to fund the data collection and analysis exercise to inform the review of HMO policy.

5.2 There are a number of quite significant projects within the strategy that will need to be worked up in further detail, including an analysis of the resources required in comparison with those available. Where additional resources are considered to be necessary these will be the subject of separate bids through the normal budgetary framework.

5.3 It should be acknowledged that in the current financial climate it may not be possible to allocate resources to some of those projects and, in those circumstances, projects that cannot be funded may need to be scaled back, delayed or postponed indefinitely.

6. RISKS

6.1 The delivery plan includes a mixture of ongoing pieces of work, relatively small-scale low-risk projects and larger more strategic projects. In terms of the first two categories risk management will be carried out by the officers responsible for the work on a daily basis. For larger projects these will be brought forward in due course with their own specific risk registers and management processes.

6.2 The Housing Strategy has already been through a wide ranging consultation process with stakeholders and has been approved by full Council. This delivery plan takes forward commitments made in the strategy and failure to adopt the delivery plan will therefore risk the council losing credibility among stakeholders. It would also mean that the ongoing development of housing and related services would take place outside of the strategic framework already approved.

7. ALTERNATIVE OPTION(S) CONSIDERED

7.1 There are two alternative options available to Executive:

a) To not adopt a delivery plan at all;
b) To adopt a delivery plan that differs from the recommended plan.

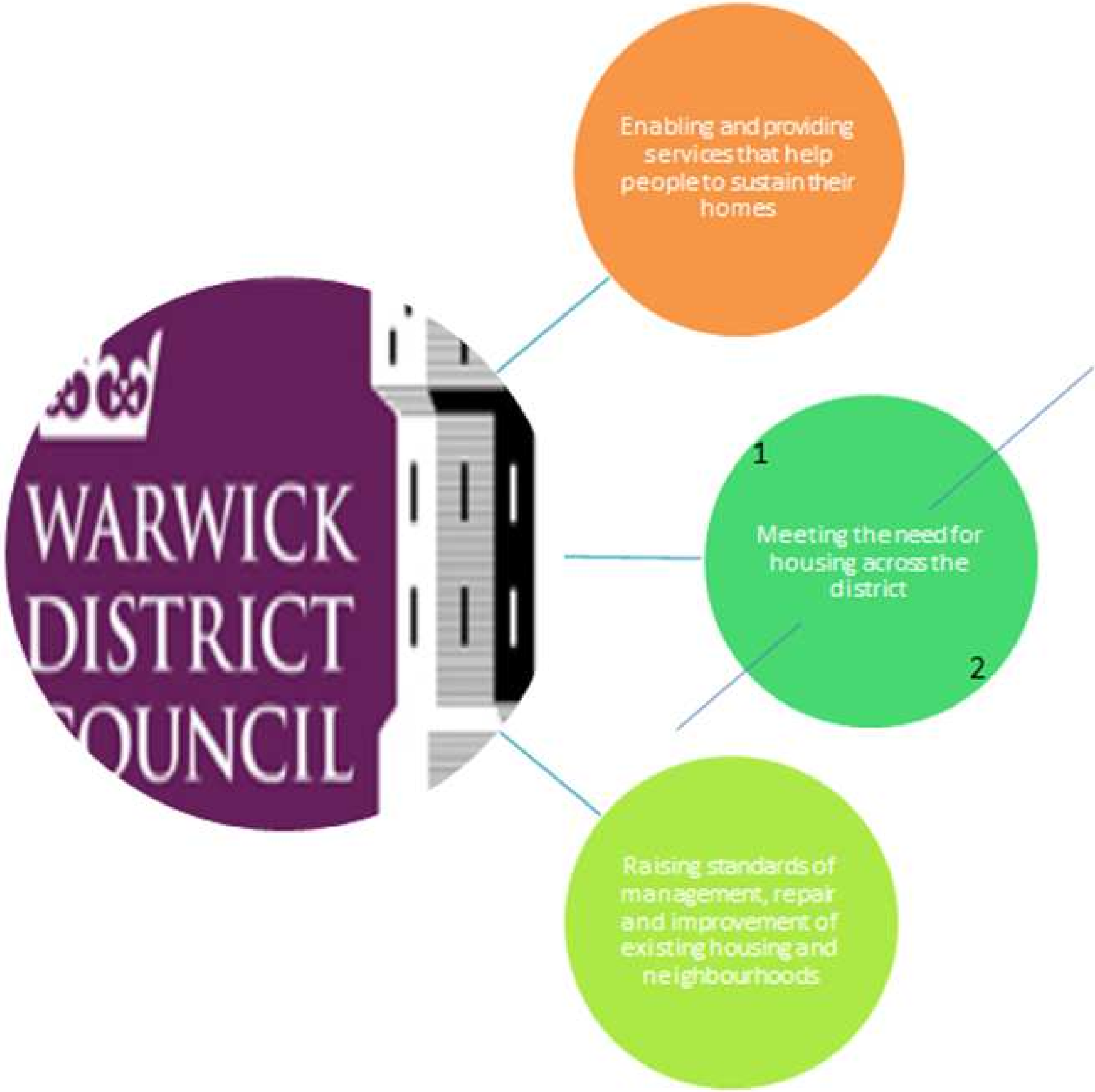
7.2 Full Council ratified the Housing Strategy in December 2013 and the strategy included a commitment to bring forward a more detailed delivery plan in March 2013, therefore to not adopt a delivery plan at all would be contrary to the approved Housing Strategy.

7.3 The actions set out in the delivery plan have come through a process of data analysis, corporate policy integration and consultation and virtually all were commitments in the Housing Strategy when it was approved by Council.

7.4 Since the strategy was approved the actions have been subject to discussion with relevant managers in terms of resources and timescales so that the plan represents what is realistically considered as achievable. Executive could make changes to the delivery plan but any substantial amendments would need to go back through the process and result in significant delays to the sign-off of the delivery plan. It would also, as indicated in 6.2 above risk the council losing credibility among stakeholders if actions committed to within the strategy are not taken forward at this stage.

8. BACKGROUND

8.1 None.


WARWICK
DISTRICT
COUNCIL
Enabling and providing services that help people to sustain their homes
1
Meeting the need for housing across the district
2
Raising standards of management, repair and improvement of existing housing and neighbourhoods

Ref	Action	2014/15	2015/16	2016/17
1.1	Working with Warwickshire County Council as it identifies its priorities for housing-related support services that have in the past been funded by the Supporting People regime, such as people with mental health problems, people suffering domestic abuse, substance mis-users, and homeless people with support needs.	Implement		
1.2	Being fair and supportive but firm. This means using all available means to provide help and support to those who need it but also using our enforcement powers as a local authority for those who are causing problems (to themselves or to others) if they refuse to engage with or respond to our offer of help.	Develop	Implement	
1.3	Working with our partners across all sectors to support people in financial difficulties.	Develop & implement	Implement	
1.4	Redesigning our service structure, reviewing policies and procedures across the service and developing service level agreements, internally and with service providers, to deliver better outcomes for customers.	Develop	Implement	
1.5	Reviewing and updating the homelessness strategy.	Develop	Implement	
1.6	Working with Warwickshire County Council on its extra-care programme providing more flexible housing-with-support options for older people.	Implement		
1.7	Continuing to provide grants/loans to help low-income owner-occupiers with essential repairs or to rectify dangerous conditions.	Develop	Implement	
1.8	Working with partners to raise awareness and educate residents on energy efficiency issues, assisting with grants and loans where appropriate and seeking to raise energy ratings, particularly in the private rented sector using the Housing, Health & Safety Rating System.	Implement		
1.9	Continuing to seek a proportion of properties built to the Lifetime Homes Standard on new-build schemes.		Develop	Implement
1.10	Expecting new developments to achieve "secured by design" standards for the estate layout.		Develop	Implement
1.11	Requiring new-build affordable housing to meet a minimum of Code For Sustainable Homes level 3 standard.		Develop	Implement
1.12	Gaining a better understanding of the support needs of our tenants through annual customer visits, making every contact count by using feedback from repairs and gas servicing contractors to prioritise visits to customers.	Develop	Implement	
1.13	Reviewing the information provided to tenants and applicants		Develop	Implement
2.1.1	Updating and broadening our understanding of district and local housing markets and needs and responding to the findings of the new Joint Strategic Housing market Assessment.	Develop	Implement	
2.1.2	Completing the development of the new Local Plan to identify the land needed to deliver the housing that the district needs.	Develop		
2.1.3	Ensuring that larger housing schemes include an appropriate proportion of affordable housing and a sustainable mix of property types and sizes.	Develop	Implement	
2.1.4	Working with our partner housing associations to ensure that new affordable homes are provided by a mixture of social landlords across the district.	Implement		
2.1.5	Creatively using the council's assets and finance to deliver further new homes working in partnership with Waterloo Housing Group through the W2 Joint Venture.	Review	Implement	
2.1.6	Investigating the best way of using the new financial freedoms to build new council housing.	Develop	Implement	
2.1.7	Looking to provide for the identified gypsy and traveller needs through the planning system.	Develop	Implement	
2.1.8	Restricting rents on Affordable Rent homes so that the average on any scheme is no more than the mid-point between average social rent and 80% of average market rent.	Implement		
2.1.9	Refreshing our approach to the provision of rural housing, taking account of the new scheme for neighbourhood planning.	Develop		Implement
2.2.1	Developing a "Buy To Flip" policy whereby the council and its housing association partners consider purchasing existing homes for sale to let them on social or affordable rents.	Develop	Implement	
2.2.2	Reviewing the housing allocations policy, giving consideration to prioritising existing tenants, local connection policies, the potential use of fixed term tenancies and the handling of applicants with no housing need.	Develop	Implement	
2.2.3	Looking for new ways to incentivise people who are under-occupying their homes to move to more appropriate accommodation.	Develop	Implement	
2.2.4	Reviewing and updating our strategy for bringing empty homes back into use.	Develop	Implement	
2.2.5	Looking for opportunities to create more appropriate housing with a higher degree of energy efficiency by the modernisation, remodelling or regeneration of existing housing schemes and estates.	Implement		
3.1	Working to develop ways to inform and advise private landlords and tenants of their rights and obligations.	Review	Implement	
3.2	Developing an enforcement policy for private sector housing to be followed where landlords fail to engage or respond to more informal approaches.	Review	Implement	
3.3	Refreshing our data on Houses in Multiple Occupation (HMOs) and investigating whether to extend the licensing of HMOs to other HMOs not currently covered.	Bid for resources	Develop	Implement
3.4	Investigating whether to introduce additional licensing for buildings converted into flats and also for shared houses.	Bid for resources	Develop	Implement
3.5	Completing a pilot scheme remodelling Home Improvement Agency services on a cross-tenure basis across southern Warwickshire and evaluating the results.	Complete and review	Develop & implement	Implement
3.6	Building on our working relationship with the University of Warwick in relation to student housing in the district.	Implement		Review
3.7	Reviewing the Housing Revenue Account Business Plan to ensure that our approach to managing, maintaining and improving our own stock remains relevant and up-to-date.	Implement		
3.8	Engaging with our council tenants to develop a WDC Standard for homes and neighbourhoods that exceeds the Decent Homes Standard and that embraces customer choice where possible.	Develop	Implement	
3.9	Looking at how to creatively manage our housing assets by developing a new Asset Management Strategy.		Develop	Implement
3.10	Reviewing our management of leaseholder properties.	Develop	Implement	

1. Enabling and providing services that help people to sustain their homes

1.1	**Working with Warwickshire County Council as it identifies its priorities for housing-related support services that have in the past been funded by the Supporting People regime, such as people with mental health problems, people suffering domestic abuse, substance mis-users, and homeless people with support needs.**

Resources: **Manager:** **Funding:**	An officer with responsibility for taking this forward will need to commit perhaps 2 – 3 days per month in 2014/15 reducing to 1 – 1.5 days per month for 2015/16 and 2016/17. Abigail Hay General Fund
Specific actions & milestones:	• Regular meetings with WCC staff • Reviewing local data and defining local needs • Providing local data on request • Briefing local service providers on a regular basis • Supporting bids to provide services that meet defined local needs

1.2	**Being fair and supportive but firm. This means using all available means to provide help and support to those who need it but also using our enforcement powers as a local authority for those who are causing problems (to themselves or to others) if they refuse to engage with or respond to our offer of help.**
Resources: **Manager:** **Funding:**	Staff time – initial briefing by managers to staff and dealing with occasional queries on application of the approach All General Fund/Housing Revenue Account
Specific actions & milestones:	• Implementation during 2014/15: managers of staff who deal with members of the public will need to think through how this relates to their service area and the enforcement powers that they have. • They will then need to brief their relevant staff that this approach has been approved by the council and how it should be applied.

1.3	**Working with our partners across all sectors to support people in financial difficulties.**
Resources: **Manager:** **Funding:**	Existing staff working with other partners Jacky Oughton and Abigail Hay General Fund/Housing Revenue Account
Specific actions & milestones:	• Investigate the potential of developing a programme of regular Money Advice sessions in partnership with other housing providers in the area (initial pilot at Brunswick Healthy living Centre) by June 2014 • Develop a series of practical energy saving advice sessions to be delivered in the community on a regular basis, targeting “fuel poor” (initial pilot aimed at Brunswick Healthy living centre by June 2014 • Develop a programme of handy money advice tips to deliver to all “mother and toddler” groups across the District by September 2014

1.4	**Redesigning our service structure, reviewing policies and procedures across the service and developing service level agreements, internally and with service providers, to deliver better outcomes for customers.**
Resources: **Manager:** **Funding:**	Being identified through the redesign project but is likely to result in an overall saving. All General Fund/Housing Revenue Account
Specific actions & milestones:	• Sustaining Communities and Business Support redesigns to be substantially complete by September 2014 • Asset Management redesign to commence when Asset Manager has been appointed and completed to a later timetable.

1.5	**Reviewing and updating the homelessness strategy.**
Resources: **Manager:** **Funding:**	Approximately 45 working days at senior officer level for review and updating. Resources for implementation will be identified in the new strategy. Other costs: hospitality for meetings, printing and stationery, publicity, oncosts and admin Abigail Hay General Fund
Specific actions & milestones:	• Draw up project plan for strategy development including homelessness review and consultation arrangements by 30/4/2014 • Set up Steering Group by 30/4/2014 • Review current strategy action plan by 31/7/2014 • Implement project plan to develop new strategy by 31/12/2014 • Report to Executive by 31/3/2015 • New strategy takes effect from 1/4/2015
Comments:	This is a statutory strategy and a new one is required to take effect from 1st April 2015.

1.6	**Working with Warwickshire County Council on its extra-care programme providing more flexible housing-with-support options for older people.**
Resources: **Manager:** **Funding:**	Time commitment of Housing Strategy & Development Officer, approximately 10 days per year, capital if required. Capital funds to come from commuted sums if possible, otherwise to be bid for. Abigail Hay General Fund/Capital Programme
Specific actions & milestones:	Ongoing actions across the three-year period: • Regular meetings with WCC staff • Appraise demands in light of new SHMA and WCC data analysis • Assess current and projected supply • Agree numbers required • Consider sites as they arise • Work with WCC & RP partners to deliver schemes

1.7	**Continuing to provide grants/loans to help low-income owner-occupiers with essential repairs or to rectify dangerous conditions.**
Resources: **Manager:** **Funding:**	Existing staffing resources to review policy. Capital budget for 2014/15 already in the budget process. Bids for future years to be assessed in light of new policy. Asset Manager General Fund/Capital Programme
Specific actions & milestones:	• Update the website • Review the existing policy • Undertake consultation • Report proposals to Executive by September 2014 • Prepare to implement policy by 1st April 2015
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

1.8	**Working with partners to raise awareness and educate residents on energy efficiency issues, assisting with grants and loans where appropriate and seeking to raise energy ratings, particularly in the private rented sector using the Housing, Health & Safety Rating System.**
Resources: **Manager:** **Funding:**	 Asset Manager/Sustainability Officer General Fund/Capital Programme
Specific actions & milestones:	This action will be developed further following the appointment of a Sustainability Officer and the redesign of the of the asset management side of the housing service.

1.9	**Continuing to seek a proportion of properties built to the Lifetime Homes Standard on new-build schemes.**
Resources: **Manager:** **Funding:**	Housing Strategy & Development Officer's time in conjunction with Planning Policy Abigail Hay General Fund
Specific actions & milestones:	• Await the outcome of the government's Housing Standards Review • Consult with RPs, to be concluded within 3 months of conclusion of government review • Develop new affordable housing policy (or Supplementary Planning Document) for the Local Plan
Comments:	This is the continuation of an existing policy. It will be considered within the Local Plan process.

1.10	**Expecting new developments to achieve "secured by design" standards for the estate layout.**
Resources: **Manager:** **Funding:**	Housing Strategy & Development Officer's time in conjunction with Planning Policy Abigail Hay General Fund
Specific actions & milestones:	• Await the outcome of the government's Housing Standards Review • Consult with RPs, to be concluded within 3 months of conclusion of government review • Develop new affordable housing policy (or Supplementary Planning Document) for the Local Plan
Comments:	This is the continuation of an existing policy. It will be considered within the Local Plan process.

1.11	**Requiring new-build affordable housing to meet a minimum of Code For Sustainable Homes level 3 standard.**
Resources: **Manager:** **Funding:**	Housing Strategy & Development Officer's time in conjunction with Planning Policy Abigail Hay General Fund
Specific actions & milestones:	• Await the outcome of the government's Housing Standards Review • Consult with RPs, to be concluded within 3 months of conclusion of government review • Develop new affordable housing policy (or Supplementary Planning Document) for the Local Plan
Comments:	This is the continuation of an existing policy. It will be considered within the Local Plan process.

1.12	**Gaining a better understanding of the support needs of our tenants through annual customer visits, making every contact count by using feedback from repairs and gas servicing contractors to prioritise visits to customers.**
Resources: **Manager:** **Funding:**	IT systems, and staffing, buy in from contractors etc. Jacky Oughton Housing Revenue Account
Specific actions & milestones:	• Implementation to commence in April 2015 • Devise and set up a rolling programme of timetabled visits to all Warwick District Council tenancies, aiming for annual visits by 2017 • Identify triggers for early visits required for those tenants experiencing difficulties sustaining their tenancy

1.13	Reviewing the information provided to tenants and applicants
Resources: **Manager:** **Funding:**	Staff time, printing costs, IT time for web development Jacky Oughton/Abigail Hay Housing Revenue Account/General Fund
Specific actions & milestones:	• Set up a Working Group and wider “reading group” during 2015/16 • Collect and review all published information for tenants and applicants during 2015/16 • Re-write as necessary during 2016/17 • Consult, finalise and produce new information for use with effect from 1/4/2017

2. Meeting the need for housing across the district

2.1 By addressing the need for more homes:

2.1.1 Updating and broadening our understanding of district and local housing markets and needs and responding to the findings of the new Joint Strategic Housing market Assessment.

Resources:	Staff time. £10k per year for Rural Housing Enabler to undertake rural needs surveys
Manager:	Abigail Hay
Funding:	General Fund
Specific actions & milestones:	• Develop new affordable housing policy to support the Local Plan • Incorporate new policy into new Affordable Housing Supplementary Planning Document • Continue programme of rural surveys through WRCC • Re-procure the Rural Housing Enabler service annually

2.1.2 Completing the development of the new Local Plan to identify the land needed to deliver the housing that the district needs.

Resources:	Already in place within Planning Policy.
Manager:	Dave Barber (Planning Policy)
Funding:	General Fund (non-housing)
Specific actions & milestones:	Subject to a separate action plan and timetable.

2.1.3 Ensuring that larger housing schemes include an appropriate proportion of affordable housing and a sustainable mix of property types and sizes.

Resources:	Staff time
Manager:	Abigail Hay
Funding:	General Fund/Capital Programme
Specific actions & milestones:	This will be part of the affordable housing policy to inform the new Local Plan/Affordable Housing Supplementary Planning Document. It follows on from 2.1.1 above.

2.1.4 Working with our partner housing associations to ensure that new affordable homes are provided by a mixture of social landlords across the district.

Resources:	Time commitment for Housing Strategy & Development Officer. Capital if necessary from commuted sums and future bids
Manager:	Abigail Hay
Funding:	General Fund/Capital Programme
Specific actions & milestones:	• Ongoing across the three-year period • Review the Joint Commissioning Partnership during the second half of 2014. • Actions to follow this review

2.1.5 Creatively using the council's assets and finance to deliver further new homes working in partnership with Waterloo Housing Group through the W2 Joint Venture.

Resources:	Staff time plus capital, revenue and land as appropriate within the parameters laid down by the JV and subject to ongoing monitoring by the Project Board.
Manager:	Head of Housing & Property Services
Funding:	General Fund/Housing Revenue Account/Capital Programme
Specific actions & milestones:	• Continue to work with WHG to produce new homes. • Continue ongoing monitoring through Project Board. • Review the J.V. by December 2014. • Decide whether, and if so how, to take the J.V. forward into 2015 and beyond

2.1.6	**Investigating the best way of using the new financial freedoms to build new council housing.**
Resources: **Manager:** **Funding:**	Initial investigation will require officer and member time. Implications of decision will carry resource implications that will be considered as part of the investigation Head of Housing & Property Services Housing Revenue Account/Capital Programme
Specific actions & milestones:	• Review consultant's recommendations. • Assess implications and follow-up actions required with support from an external facilitator. • Report to council in March 2014. • Implement council resolution.
Comments:	This needs to be link with the development of an Asset Management Strategy.

2.1.7	**Looking to provide for the identified gypsy and traveller needs through the planning system.**
Resources: **Manager:** **Funding:**	Resources for Local Plan development are already in place. Dave Barber (Planning Policy) General Fund (non-housing)
Specific actions & milestones:	• This will be developed through the Local Plan process

2.1.8	**Restricting rents on Affordable Rent homes so that the average on any scheme is no more than the mid-point between average social rent and 80% of average market rent.**
Resources: **Manager:** **Funding:**	Staff time. Abigail Hay General Fund
Specific actions & milestones:	• Implement from 1 January 2014 • Provide potential landlords with details of acceptable rents on schemes coming forward. • Keep a record of agreed affordable rents. • Monitor policy and bring forward recommendations for change as required in December 2014.

2.1.9	**Refreshing our approach to the provision of rural housing, taking account of the new scheme for neighbourhood planning and the new Local Plan policies on village housing options.**
Resources: **Manager:** **Funding:**	Time commitment of Housing Strategy & Development Officer and an officer in Planning Policy Abigail Hay General Fund
Specific actions & milestones:	• Meet with Rural Housing Enabler to discuss current arrangements and suggestions for improvement • Consider the role of neighbourhood planning and how this connects with affordable housing and the Local Plan • Review best practice in other areas/agencies • Develop new policy approach to incorporate into Affordable Housing Supplementary Planning Document

2.2 By making the best use of existing stock:

2.2.1	Developing a "Buy To Flip" policy whereby the council and its housing association partners consider purchasing existing homes for sale to let them on social or affordable rents.
Resources:	Staff time within the landlord service will be needed to identify properties and process the purchases. Capital will be required, either upfront or borrowing against HRA income, to pay for the properties. Housing Strategy & Development Officer will need to liaise with partners to stimulate their involvement. Capital may be required to support their purchases and this would have to come from commuted sums.
Manager:	Abigail Hay
Funding:	General Fund/Housing Revenue Account
Specific actions & milestones:	Establish legal position and delegated powers by 31/5/14 Identify preferred areas, property types, sizes and price range by 31/5/14 Liaise with RPs over their role by 31/5/14 Draft policy by 31/10/14 Report to Executive for approval by 30/11/14 Implement policy from 1/1/15
Comments:	This needs to link up with the development of an Asset Management Strategy.

2.2.2	Reviewing the housing allocations policy, giving consideration to prioritising existing tenants, local connection policies, the potential use of fixed term tenancies and the handling of applicants with no housing need.
Resources:	Officers time, admin costs for meetings: room hire, refreshments, printing of new stationery, IT time for systems development.
Manager:	Abigail Hay
Funding:	General Fund
Specific actions & milestones:	• Review current policy against new legislation and guidance by 30/3/2014 • Consult RPs as to how well the current policy meets their needs by 30/3/2014 • Identify areas where change is required by 25/5/2014 • Draft new policies by 6/7/2014 • Statutory consultation from 7/7/2014 to 28/9/2014 • Finalise policy and report to Executive for approval in November 2014 • Prepare for implementation by 1/4/2015

2.2.3	Looking for new ways to incentivise people who are under-occupying their homes to move to more appropriate accommodation.
Resources:	To be identified. Committee approval will be sought once this has been done.
Manager:	Jacky Oughton
Funding:	Housing Revenue Account/General Fund
Specific actions & milestones:	• Investigate how we could use the Tenants Incentive Grant scheme budget differently, to enable more tenants to receive assistance that they made need by March 2015

2.2.4	Reviewing and updating our strategy for bringing empty homes back into use.
Resources:	Officer time, admin costs for meetings: room hire, refreshments, stationery, printing of new forms, booklets etc. The strategy itself will identify the resources needed to tackle empty homes.
Manager:	Asset Manager
Funding:	General Fund/Capital Programme
Specific actions & milestones:	• Review performance against existing strategy in first quarter of 2014/15 • Develop new strategy to include bid for resources during 2nd and 3rd quarters of 2014/15 • Implement new strategy from April 2015 subject to resources
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

2.2.5	**Looking for opportunities to create more appropriate housing with a higher degree of energy efficiency by the modernisation, remodelling or regeneration of existing housing schemes and estates.**
Resources:	Ongoing staff time for considering regeneration opportunities. Specific regeneration projects will have substantial resource requirements that will be defined on a project-by-project basis and bids submitted at the appropriate time.
Manager:	Asset Manager & Abigail Hay
Funding:	Housing Revenue Account/Capital Programme/General Fund
Specific actions & milestones:	• Ongoing monitoring of council stock for regeneration needs and opportunities • The redevelopment of Fetherston Court has a separate project plan in place and resources identified. The intention, subject to planning, is to start on site in the second half of 2014 with completion by mid-2016
Comments:	This should be tied into the development of an Asset Management Strategy.

3. Raising standards of management, repair and improvement of existing housing and neighbourhoods

3.1	**Working to develop ways to inform and advise private landlords and tenants of their rights and obligations.**
Resources: **Manager:** **Funding:**	Existing staffing. Additional resources may be needed if it is felt that the Tenants' Charter doesn't fully cover what it needs to. Asset Manager General Fund
Specific actions & milestones:	• Continue to inform landlords through presentations at Landlords' Forum • Monitor government proposals for a new "Tenants' Charter" • Consider what further information may be needed for tenants following the publication of the charter
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.2	**Developing an enforcement policy for private sector housing to be followed where landlords fail to engage or respond to more informal approaches.**
Resources: **Manager:** **Funding:**	Existing staffing resources. Asset Manager General Fund
Specific actions & milestones:	• Review existing policy and identify the changes needed • Draw up new policy proposals • Report to Executive for approval by September 2014 • Implement new policy
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.3	**Refreshing our data on Houses in Multiple Occupation (HMOs) and investigating whether to extend the licensing of HMOs to other HMOs not currently covered.**
Resources: **Manager:** **Funding:**	The data collection and analysis exercise is a substantial piece of work that will require additional resources of around £7,000. Asset Manager General Fund
Specific actions & milestones:	• Bid during 2014/15 for funding for data collection project • Subject to resources carry out data collection and analysis exercise during 2015/16 • Draw up proposals • Consult on proposals • Policy decision and implementation to follow during 2016/17
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.4	**Investigating whether to introduce additional licensing for buildings converted into flats and also for shared houses.**
Resources: **Manager:** **Funding:**	See 3.3 above. Asset Manager General Fund
Specific actions & milestones:	See 3.3 above
Comments:	This will be run in tandem with item 3.3 above. This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.5	Completing a pilot scheme remodelling Home Improvement Agency services on a cross-tenure basis across southern Warwickshire and evaluating the results.
Resources:	Resources for pilot scheme already in place. Subsequent resource requirements will be identified in the review phase.
Manager:	Asset Manager
Funding:	General Fund/Capital Programme
Specific actions & milestones:	• Complete the pilot scheme by 31/12/2014 • Review the outcome of the pilot by 31/3/2015 • Report to Executive with further proposals in first part of 2015/16 • Implementation to follow in second part of 2015/16
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.6	Building on our working relationship with the University of Warwick in relation to student housing in the district.
Resources:	Existing resources
Manager:	Asset Manager
Funding:	General Fund
Specific actions & milestones:	• Continue with existing working arrangements • Monitor their effectiveness • Adapt as necessary over the three year period
Comments:	This action may be subject to change when the redesign of the asset management side of the housing service is progressed.

3.7	Reviewing the Housing Revenue Account Business Plan to ensure that our approach to managing, maintaining and improving our own stock remains relevant and up-to-date.
Resources:	Part of existing staffing responsibilities
Manager:	Abigail Hay
Funding:	Housing Revenue Account
Specific actions & milestones:	Quarterly operational reviews Annual strategic review
Comments:	This needs to link with the development of an Asset Management Strategy

3.8	Engaging with our council tenants to develop a WDC Standard for homes and neighbourhoods that exceeds the Decent Homes Standard and that embraces customer choice where possible.
Resources:	Policy development will be done by existing staff but resources to deliver the new standard will be a consideration as part of the policy development process and will need to feed into the Asset Management Strategy and business plan.
Manager:	Jacky Oughton
Funding:	Housing Revenue Account
Specific actions & milestones:	Plan to be in place by end of December 2014 New standards to be in place by April 2015
Comments:	This can be introduced as part of the service standards being developed out of the Tenant Panel Away Day Action Plan due to be in place by April 2015

3.9	**Looking at how to creatively manage our housing assets by developing a new Asset Management Strategy.**
Resources:	This will be led by the Asset Manager but may require external support from consultants, stock condition surveyors etc. A full project plan will be worked up by the Asset Manager and any new resources required will be subject to the normal bidding process.
Manager:	Asset Manager
Funding:	Housing Revenue Account
Specific actions & milestones:	To be developed during 2015/16
Comments:	This is connected to a number of other actions as set out earlier in the plan and may be subject to change following the appointment of an Asset Manager.

3.10	**Reviewing our management of leaseholder properties.**
Resources:	Staffing resource in place. The review may identify a need for additional resources (or savings that could be made) and appropriate bids will be made if required.
Manager:	Abigail Hay
Funding:	Housing Revenue Account
Specific actions & milestones:	Review IT systems by 1/6/14 Develop policies and procedures by 1/10/14 Prepare action plan for service improvement by 31/12/14 Implement action plan with new system to be fully operational by 31/12/15

	Executive 12 March 2014	Agenda Item No. **6**

Title	Hackney Carriage Fare Increase – Request from drivers.
For further information about this report please contact	Emma Dudgeon, Licensing Enforcement Officer, Health and Community Protection. Tel: 01926 456113. Emma.dudgeon@warwickdc.gov.uk Marianne Rolfe, Regulatory Manager, Health and Community Protection. Tel: 01926 456320 Marianne.Rolfe@warwickdc.gov.uk
Wards of the District directly affected	None
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	26 February 2008 – Minute Number 24
Background Papers	

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

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	24.2.14	Andrew Jones
Head of Service	24.2.14	Richard Hall
CMT	24.2.14	
Section 151 Officer	24.2.14	Mike Snow
Monitoring Officer	24.2.14	Andrew Jones
Finance	24.2.14	Mike Snow
Portfolio Holder(s)	24.2.14	Michael Coker
Consultation & Community Engagement		

If recommendations are agreed, proposed changes will be advertised for a 14 days consultation period.	
Final Decision?	Yes
Suggested next steps N/A	

1. **SUMMARY**

1.1 A request by 127 Hackney Carriage drivers has been received by Warwick District Council (WDC) Licensing Department to increase the current hackney carriage fares and for these fares to be reviewed on an annual basis.

2. **RECOMMENDATION**

2.1 That Executive approves the increase of hackney carriage fares as set out in the report and appendix 6.

2.2 That Executive agree an implementation date as set out in 3.13 below for the new fare subject to an advertisement of the proposed change and taking into consideration 2.3.

2.3 That Executive agree if representations are received following 2.2, a further report be submitted to Executive after the consultation period to review the representations received.

2.4 The Executive agree further reports are submitted to Executive every year reviewing hackney carriage fares, taking into consideration the rate of inflation and Consumer Price Index.

3. **REASONS FOR THE RECOMMENDATION**

3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 allows a Licensing Authority to fix the fares and all other charges in connection with the hire of a hackney carriage vehicle in their area. This Authority is therefore responsible for regulating fares in Warwick District.

3.2 Under the Local Authorities (Functions and Responsibilities)(England) Regulations 2000, as amended, this is an Executive function. However, the report has been submitted to Regulatory Committee to enable them to pass comments onto the Executive.

3.3 There is no prescribed timetable in the legislation for revisions of hackney carriage fares. The fares in WDC were last reviewed in February 2008, with an increase in these fares coming into effect in March 2008. The current fare card is shown as appendix 1.

3.4 Since 2008:
- the cost of fuel has increased by around 33%
- the cost of insurance has increased by around 67%.
- Licence fee's and maintenance costs have also risen since
- Drivers pay on average £75 a year more for their Hackney Carriage Vehicle Licenses.

3.5 Appendix 2 is an extract from Private Hire and Taxi Monthly publication which shows the cost of a two mile journey throughout Councils within the UK. WDC comes in at 293rd in a band of 17 authorities out of 364 Councils with a fare being £5.00. This is below the national average of £5.56.

3.6 The table shows our neighbouring district of Stratford-On-Avon at 172rd in a band of 19 authorities on £5.60. Stratford On Avon reviewed their fares in 2012. The fare card is attached as appendix 3.

3.7 Coventry City Council sits at 210th in a band of 25 authorities on the same table charging £5.40. Coventry City reviewed their fares in 2008. The fare cards is attached as appendix 4.

3.8 In September 2013 WDC Licensing Department received a request from 127 drivers for the increase of the hackney carriage fares and the inclusion of a third tariff as set out below. WDC currently licence 204 hackney carriage vehicles.

3.9 Tariff 1 is an existing tariff for use by all saloon style vehicles, which carry four or less passengers, and larger vehicles when carrying less than five passengers at other times than in 3.10. The drivers would like this tariff to be increased and introduce the use of tariff 3 as described in 3.11.

Distance	**Cost**
For any Distance up to 1232 yards (7/10 of a mile)	£3.40
For each Subsequent 176 Yards (1/10 of a mile)	£0.20
Waiting time for up to every 30 seconds	£0.10

3.10 Tariff 2 is for use by all saloon style vehicles on evenings, Sunday and Bank Holidays. This tariff will also be used when a larger vehicle carries five or more passengers outside of the evening charge and not on Sundays or Bank Holidays. WDC currently have a second tariff which adds 50% on to the fare shown on evening, Sundays, Bank Holidays and when a suitable vehicle carries 5 or more passengers. However, the evening hours are currently between 23:00 and 05:00.

Distance	**Cost**
For any Distance up to 1232 yards (7/10 of a mile)	£5.10
For each Subsequent 176 Yards (1/10 of a mile)	£0.30
Waiting time up to every 30 seconds	£0.15

3.11 Tariff 3 is for use by all vehicles at Christmas and New Year and when a larger vehicle carries five or more passengers during the evening hours or on Bank Holidays and Sundays. This is a new tariff which WDC does not currently operate.

Distance	**Cost**
For any Distance up to 1232 yards (7/10 of a mile)	£6.80
For each Subsequent 176 Yards (1/10 of a mile)	£0.40
Waiting time for up to every 30 seconds	£0.20

* Between 18:00 on 24 December to 06:00 27 December and 18:00 31 December and 06:00 2nd January.

3.12 Both Stratford on Avon and Coventry already operate a three tariff system. However both authorities have a day, evening and holiday tariff. Stratford On Avon taxis also charge an additional 50% of the fare when a vehicle carries 5 or more passengers. Appendix 5 shows a comparison of the current and proposed fares with Stratford On Avon and Coventry City.

3.13 It is proposed that the tariffs are set out to allow all vehicles to have a day charge, evening and holiday charge and a charge for larger vehicles which can carry five or more passengers. The table below shows when each tariff would come into effect.

	Day	Evening & Bank Holiday	Christmas and New Year
4 or less passengers	Tariff 1	Tariff 2	Tariff 3
5 or more passengers	Tariff 2	Tariff 3	Tariff 3

3.14 The soiling charge has increased by 50%, from £50 to £75. This would be to cover the cost of cleaning and the time the vehicle is off the road, resulting in loss of earnings for the driver.

3.15 Should the reviewed fares be accepted, WDC will move to 111th in the table with a two mile fare of £6.00. This will place WDC within in a band of 24 authorities. A two mile fare in Stratford would be 7% lower and Coventry City would be 10% lower. This position and percentage is subject to change following any fare reviews within the 364 authorities.

3.16 Appendix 6 shows various example journeys and the cost increase for passengers using a hackney carriage licenced by WDC.

3.17 Appendix 7 shows the new fare card which would be displayed in every WDC hackney carriage vehicle would replace the existing fare card should the recommendations be accepted.

3.18 If the recommendations are agreed a public notice will appear on the 27th or 28th March 2014 for 14 days. During the 14 day consultation period any person may write in with a representation against the fare increase and, should this happen, if agreed, all representations will be presented to the Executive who shall decide whether or not to modify the proposed table of fares. If no objections are received the new fare tariff will commence on Monday 14 April 2014.

3.19 Appendix 8 shows all paper work submitted by the licensed WDC drivers. A petition signed by the drivers was also submitted and a copy of this will be available at the meeting. Each driver who has signed the petition has been notified of the meeting and invited to attend.

3.20 Although the fare increase is an Executive function, Regulatory Committee were given the opportunity to pass comments to Executive at their meeting held on Monday 16th December 2013. The Regulatory Committee noted the recommendations in the report and having heard from the taxi drivers present supported the fare increase.

4. POLICY FRAMEWORK

4.1 None

5. BUDGETARY FRAMEWORK

5.1 If Executive agree the recommendations within the report the Council have a legal obligation to publish details of the proposed changes in a local newspaper for 14 days at a cost of around £260.

5.2 All hackney carriage drivers are required to display a current fare card in their vehicle. Therefore there would be a cost of producing the cards and sending them to each owner.

5.3 The cost of the calibration for all taxi meters would be the responsibility of the owner of the vehicle.

6. ALTERNATIVE OPTION(S) CONSIDERED

6.1 Executive can take the decision to refuse the recommendations in the report.

6.2 Executive can agree to a fare increase of their choosing subject to an advertisement of the proposed change and representations being presented at the next Executive.

7. BACKGROUND

7.1 None.

CURRENT FARES.

WARWICK DISTRICT COUNCIL

HACKNEY CARRIAGE FARES EFFECTIVE FROM 20th MARCH 2008

DISTANCE	FOR ANY DISTANCE UP TO ONE MILE	£3.40*
	FOR EACH SUBSEQUENT 220 YARDS (1/8 OF A MILE)	£0.20*
WAITING TIME	FOR EACH PERIOD OF 45 SECONDS OR PART OF 45 SECONDS	£0.10*
EXTRAS	SOILING CHARGE	£50.00

BETWEEN 23:00 AND 05:00 AND SUNDAYS AND BANK HOLIDAYS AND WHEN A SUITABLE VEHICLE CARRIES 5 OR MORE PASSENGERS THE RATES MARKED* IN THE BOXES ABOVE ARE INCREASED BY 50%. THE ONLY RATES CHARGEABLE AT ANY TIME ARE FLAT RATE OR 50% EXTRA.

Colour Code for the Table

SE IN 2013	RISE IN 2009	RISE IN 2005
SE IN 2012	RISE IN 2008	RISE IN 2002
SE IN 2011	RISE IN 2007	
SE IN 2010	RISE IN 2006	

The full tables and percentages can be found on the Private Hire and Taxi Monthly and National Private Hire Association websites:

www.phtm.co.uk www.npha.org.uk

emember that the tables are sorted by the Tariff 1 two mile fare as being the lowest common denominator)

	COUNCIL	TARIFF 1 2 MILES
	LONDON (HEATHROW)	£8.00
	LUTON (AIRPORT)	£7.30
	EPSOM & EWELL	£7.20
	LONDON	£7.20
	HERTSMERE	£7.00
	SALISBURY	£7.00
	GUILDFORD	£6.90
	CARADON	£6.80
	CARRICK	£6.80
	COLCHESTER	£6.80
	READING	£6.80
	KERRIER	£6.75
	WEST BERKSHIRE	£6.70
	ADUR	£6.60
	BASINGSTOKE & DEANE	£6.60
	BRIGHTON & HOVE	£6.60
	DARTFORD	£6.60
	EXETER	£6.60
	MID SUSSEX	£6.60
	TUNBRIDGE WELLS	£6.60
	WAVENEY	£6.60
	WEALDEN	£6.60
	WEYMOUTH & PORTLAND	£6.60
	JERSEY	£6.50
	ARUN	£6.40
	BATH & N.E.SOMERSET	£6.40
	BOURNEMOUTH	£6.40
	BRISTOL, CITY OF UA	£6.40
	CAMBRIDGE	£6.40
	GRAVESHAM	£6.40
	GUERNSEY	£6.40
	HARROGATE	£6.40
	MAIDSTONE	£6.40
	NORTH HERTS	£6.40
	POOLE	£6.40
	PURBECK	£6.40
	ROTHER	£6.40
	SOUTH CAMBRIDGE	£6.40
	SOUTH GLOUCESTER	£6.40
	STROUD	£6.40
	SURREY HEATH	£6.40
	WATFORD	£6.40
	WOKINGHAM	£6.40
	SEVENOAKS	£6.32
	COUNTY OF HEREFORD	£6.30
	EAST DEVON	£6.30
	MOLE VALLEY	£6.30
	PENWITH	£6.30
	TONBRIDGE & MALLING	£6.30
	WOKING	£6.30
	FOREST OF DEAN	£6.27
	HARBOROUGH	£6.27
	NUNEATON & BEDWORTH	£6.25
	ASHFORD	£6.20
	BIRMINGHAM	£6.20
	CHELMSFORD	£6.20
	CHICHESTER	£6.20
	CRAWLEY	£6.20
	CREWE & NANTWICH	£6.20
	HARLOW	£6.20
	HART	£6.20
	HORSHAM	£6.20
	LEEDS	£6.20
	LINCOLN	£6.20
	MENDIP	£6.20
	NORWICH	£6.20
	OXFORD	£6.20
	RUNNYMEDE	£6.20
	SCARBOROUGH	£6.20
	SEDGEMOOR	£6.20
	SHEPWAY	£6.20
	SOLIHULL	£6.20
	SOUTH LAKELAND	£6.20
	SWALE	£6.20
	TAUNTON DEANE	£6.20
	TEIGNBRIDGE	£6.20
	WAVERLEY	£6.20
	WINCHESTER	£6.20
	YORK	£6.20
	TORBAY	£6.15
	EASTLEIGH	£6.10
	ELMBRIDGE	£6.10
	MALVERN HILLS	£6.10
	NEW FOREST	£6.10
	SPELTHORNE	£6.10
	SWINDON	£6.10
	VALE OF WHITE HORSE	£6.10
	SOUTH SOMERSET	£6.08
	ABERDEENSHIRE	£6.00
	BRACKNELL FOREST	£6.00
	BRENTWOOD	£6.00
	CANTERBURY	£6.00
93	CARMARTHENSHIRE	£6.00
94	CASTLE POINT	£6.00
95	CHELTENHAM	£6.00
96	DOVER	£6.00
97	EAST HAMPSHIRE	£6.00
98	GREAT YARMOUTH	£6.00
99	KENNET - Wiltshire (East)	£6.00
100	KETTERING	£6.00
101	MILTON KEYNES	£6.00
102	NORTH DORSET	£6.00
103	NORTH WILTSHIRE	£6.00
104	ROCHFORD	£6.00
105	SLOUGH	£6.00
106	SOUTHAMPTON	£6.00
107	SOUTHEND-ON-SEA	£6.00
108	STEVENAGE	£6.00
109	THREE RIVERS	£6.00
110	THURROCK	£6.00
111	WEST DORSET	£6.00
112	WEST WILTSHIRE	£6.00
113	DARLINGTON	£5.95
114	TENDRING	£5.95
115	HIGH PEAK	£5.92
116	TORRIDGE	£5.92
117	CHRISTCHURCH	£5.90
118	DUDLEY	£5.90
119	EAST DORSET	£5.90
120	EAST LINDSEY	£5.90
121	WALSALL	£5.90
122	DACORUM	£5.88
123	NORTH DEVON	£5.85
124	TEWKESBURY	£5.85
125	RUSHMOOR	£5.84
126	BLACKPOOL	£5.80
127	BROMSGROVE	£5.80
128	EAST HERTS	£5.80
129	GLOUCESTER	£5.80
130	IPSWICH	£5.80
131	LEWES	£5.80
132	MEDWAY *******	£5.80
133	MIDLOTHIAN	£5.80
134	REIGATE & BANSTEAD	£5.80
135	RESTORMEL	£5.80
136	SELBY	£5.80
137	ST ALBANS	£5.80
138	STOCKPORT	£5.80
139	TAMWORTH	£5.80
140	UTTLESFORD	£5.80
141	WEST SOMERSET	£5.80
142	EAST KILBRIDE	£5.70
143	EAST LOTHIAN	£5.70
144	EASTBOURNE	£5.70
145	FYLDE	£5.70
146	HASTINGS	£5.70
147	ISLE OF MAN	£5.70
148	ISLE OF WIGHT	£5.70
149	LUTON	£5.70
150	MANCHESTER	£5.70
151	MID DEVON	£5.70
152	MONMOUTHSHIRE	£5.70
153	NORTH SOMERSET	£5.70
154	PLYMOUTH	£5.70
155	RYEDALE	£5.70
156	WELWYN HATFIELD	£5.70
157	RENFREWSHIRE	£5.65
158	VALE OF GLAMORGAN	£5.65
159	CHARNWOOD	£5.63
160	BASILDON	£5.60
161	BRAINTREE	£5.60
162	FIFE	£5.60
163	GOSPORT	£5.60
164	HINCKLEY & BOSWORTH	£5.60
165	NEWCASTLE UPON TYNE	£5.60
166	NORTH WEST LEICESTER	£5.60
167	NORTHAMPTON	£5.60
168	NOTTINGHAM	£5.60
169	PORTSMOUTH UA	£5.60
170	SHEFFIELD	£5.60
171	SOUTH AYRSHIRE	£5.60
172	STRATFORD ON AVON	£5.60
173	SUFFOLK COASTAL	£5.60
174	TAMESIDE	£5.60
175	WOLVERHAMPTON	£5.60
176	WORTHING	£5.60
177	WREXHAM	£5.60
178	WYRE	£5.60
179	CHERWELL	£5.56
180	DURHAM COUNTY COUNCIL	£5.55
181	ARGYLE & BUTE	£5.50
182	CARLISLE	£5.50
183	CASTLE MORPETH	£5.50
184	CENTRAL BEDFORDSHIRE	£5.50
185	CHESTER	£5.50
186	DUMFRIES & GALLOWAY	£5.50
187	EAST STAFFORDSHIRE	£5.50
188	EDEN	£5.50
189	EDINBURGH	£5.50
190	GWYNEDD	£5.50
191	HUNTINGDONSHIRE	£5.50
192	LEICESTER	£5.50
193	MORAY	£5.50
194	OLDHAM	£5.50
195	RUSHCLIFFE	£5.50
196	SHETLAND ISLANDS	£5.50
197	SHROPSHIRE	£5.50
198	SOUTH HAMS	£5.50
199	STAFFORD	£5.50
200	TYNEDALE	£5.50
201	WANSBECK	£5.50
202	SCOTTISH BORDERS	£5.45
203	GEDLING	£5.44
204	ABERDEEN	£5.40
205	ANGUS	£5.40
206	BARROW IN FURNESS	£5.40
207	CARDIFF	£5.40
208	CHILTERN	£5.40
209	CLACKMANNAN	£5.40
210	COVENTRY	£5.40
211	DERBY	£5.40
212	FAREHAM	£5.40
213	FOREST HEATH	£5.40
214	HAVANT	£5.40
215	MID SUFFOLK	£5.40
216	NEWARK & SHERWOOD	£5.40
217	NORTH LINCOLNSHIRE	£5.40
218	NORTH WARWICKS	£5.40
219	PEMBROKE	£5.40
220	PERTH & KINROSS	£5.40
221	RUGBY	£5.40
222	SOUTH RIBBLE	£5.40
223	TANDRIDGE	£5.40
224	TEST VALLEY	£5.40
225	WEST LOTHIAN	£5.40
226	WEST OXFORD	£5.40
227	WORCESTER	£5.40
228	WYCHAVON	£5.40
229	BROXTOWE	£5.36
230	KINGS LYNN & W. NORFOLK	£5.36
231	BASSETLAW	£5.35
232	BRADFORD	£5.30
233	BROXBOURNE	£5.30
234	BURY ST EDMUNDS	£5.30
235	COTSWOLD	£5.30
236	CRAVEN	£5.30
237	FENLAND	£5.30
238	LICHFIELD	£5.30
239	NORTH EAST LINCOLNSHIRE	£5.30
240	NORTH NORFOLK	£5.30
241	RIBBLE VALLEY	£5.30
242	DUNDEE	£5.27
243	SALFORD	£5.26
244	VALE ROYAL	£5.25
245	WINDSOR & MAIDENHEAD	£5.25
246	BLABY	£5.24
247	BEDFORD	£5.20
248	BOLTON	£5.20
249	BOSTON	£5.20
250	BURY	£5.20
251	DENBIGHSHIRE	£5.20
252	ELLESMERE PORT	£5.20
253	HALTON	£5.20
254	HAMBLETON	£5.20
255	MACCLESFIELD	£5.20
256	ORKNEY ISLANDS	£5.20
257	POWYS	£5.20
258	PRESTON	£5.20
259	RHONDDA CYNON TAFF	£5.20
260	SOUTH TYNESIDE	£5.20
261	SUNDERLAND	£5.20
262	TRAFFORD	£5.20
263	WIRRAL	£5.20
264	YNYS MON	£5.20
265	BRECKLAND	£5.14
266	BABERGH	£5.10
267	CALDERDALE	£5.10
268	CANNOCK CHASE	£5.10
269	CEREDIGION	£5.10
270	NEWPORT	£5.10
271	RICHMONDSHIRE	£5.10
272	SOUTH STAFFORDSHIRE	£5.10
273	WIGAN	£5.10
274	WYCOMBE	£5.10
275	ALNWICK	£5.05
276	SOUTH HOLLAND	£5.05
277	SWANSEA	£5.05
278	BLYTH VALLEY	£5.00
279	CHESTERFIELD	£5.00
280	COPELAND	£5.00
281	DAVENTRY	£5.00
282	EAST RIDING	£5.00
283	EREWASH	£5.00
284	GLASGOW	£5.00
285	LIVERPOOL	£5.00
286	NEATH PORT TALBOT	£5.00
287	NORTH EAST DERBYSHIRE	£5.00
288	PETERBOROUGH	£5.00
289	SOUTH BUCKINGHAM	£5.00
290	SOUTH LANARKSHIRE(clydsle)	£5.00
291	SOUTH NORTHANTS	£5.00
292	THANET	£5.00
293	WARWICK	£5.00
294	WEST LINDSEY	£5.00
295	STOKE ON TRENT UA	£4.95
296	BRIDGEND	£4.90
297	CHORLEY	£4.90
298	CLYDEBANK	£4.90
299	CONGLETON	£4.90
300	DUMBARTON	£4.90
301	FLINTSHIRE	£4.90
302	KINGSTON-UPON-HULL	£4.90
303	MELTON	£4.90
304	NORTH KESTEVEN	£4.90
305	ROSSENDALE	£4.90
306	TELFORD & WREKIN	£4.90
307	WELLINGBOROUGH	£4.90
308	WYRE FOREST	£4.90
309	REDDITCH	£4.88
310	ALLERDALE	£4.85
311	ASHFIELD	£4.80
312	CAERPHILLY	£4.80
313	CONWY	£4.80
314	DERBYSHIRE DALES	£4.80
315	DONCASTER	£4.80
316	GATESHEAD	£4.80
317	HAMILTON	£4.80
318	LANCASTER	£4.80
319	MANSFIELD	£4.80
320	NORTH TYNESIDE	£4.80
321	ROCHDALE	£4.80
322	ROTHERHAM	£4.80
323	RUTHERGLEN	£4.80
324	TORFAEN	£4.80
325	SANDWELL	£4.75
326	STAFFS MOORLANDS	£4.75
327	BARNSLEY	£4.70
328	BERWICK ON TWEED	£4.70
329	BLACKBURN	£4.70
330	EAST AYRSHIRE	£4.70
331	EAST CAMBRIDGESHIRE	£4.70
332	EAST NORTHANTS	£4.70
333	HIGHLANDS	£4.70
334	HYNDBURN	£4.70
335	STIRLING	£4.70
336	WARRINGTON	£4.70
337	WEST LANCASHIRE	£4.70
338	AMBER VALLEY	£4.60
339	EAST DUNBARTONSHIRE	£4.60
340	EAST RENFREW	£4.60
341	FALKIRK	£4.60
342	SEFTON	£4.60
343	WAKEFIELD	£4.60
344	BURNLEY	£4.50
345	CORBY	£4.50
346	INVERCLYDE	£4.50
347	MERTHYR TYDFIL	£4.50
348	REDCAR & CLEVELAND	£4.50
349	STOCKTON ON TEES	£4.50
350	KIRKLEES	£4.40
351	KNOWSLEY	£4.40
352	NORTH AYRSHIRE	£4.40
353	NORTH LANARKSHIRE	£4.40
354	OADBY & WIGSTON	£4.40
355	PENDLE	£4.40
356	ST. HELENS	£4.40
357	AYLESBURY VALE	£4.30
358	BLAENAU GWENT	£4.30
359	MIDDLESBROUGH	£4.30
360	NEWCASTLE-U-LYME	£4.20
361	WESTERN ISLES	£4.20
362	HARTLEPOOL	£3.80
363	SOUTH KESTEVEN	£3.50
364	BOLSOVER	£2.80
	NATIONAL AVERAGE	£5.56

Hackney Carriage table of fares

VALID FROM 13 DECEMBER 2008

	Tariff 1	Tariff 2	Tariff 3
Mileage charge: For the first 704 yards or uncompleted part thereof	£2.20	£3.30	£4.40
For each subsequent 1/10 mile or uncompleted part thereof	20p		40p
For each subsequent 1/14 mile or uncompleted part thereof		20p	
Waiting time: For each period of a minute or uncompleted part thereof	20p	20p	
For each period of 30 seconds or uncompleted part thereof			20p

Tariff 1 For hirings on any day except as below

Tariff 2 For hirings begun between 11.00pm and 7.00am, and hirings begun between 6.00pm and Midnight on Christmas Eve and New Year's Eve, also for hirings at any time on Sundays and Public Holidays (excluding Christmas Day, Boxing Day and New Year's Day)

Tariff 3 For hirings on Christmas Day, Boxing Day and New Year's Day

Extra charges

(a) An additional 50% fare could be charged when vehicles actually carries five or more passengers

(b) For each article of luggage conveyed outside the passenger compartment **20p**

(c) For each person in excess of two (2 children under the age of 10 years count as one person for fare purposes only) **20p**

(d) Soiling charge **£45**

(e) That unavoidable toll and congestion charges incurred during a journey be reimbursed in full

SDC/0216/DEC08

TLO/35

Coventry City Council

HACKNEY CARRIAGE FARES IN COVENTRY

1. For journeys commencing and ending within the City of Coventry

Unless a lower fare is agreed before the journey starts:

	Day-Time (6am to 10pm)	Night-Time (10pm to 6am)	Holidays (See below)
For the first 1.229 Km (Approx. 8/10 **mile)** or 6 minutes (or part)	**£2.80**	**£3.60**	**£3.90**
Then for every 0.162 Km (Approx. 1/10 **mile)** or 48 seconds (or part)	**20p**	**20p**	**30p**

When the speed is below approximately 8 miles per hour only the time charge applies.

Soiling/Cleaning Charge: £40

Holidays

Christmas
(6pm 24 Dec to 6am 27 Dec)

New Year
(6pm 31 Dec to 6am 2 Jan)

Easter Sunday & Monday
May Day Bank Holiday
Spring Bank Holiday
Summer Bank Holiday
(For 24 hours starting at 00.00am on the day)

2. For journeys ending outside the City of Coventry

The law does not permit a taxi driver to charge more than the price shown on the meter (which will be calculated at the rates shown above) unless the journey ends outside the City boundary and you and the driver have agreed a different fare BEFORE the journey commences.

IN CASE OF COMPLAINT - Note the driver's badge number & taxi number and Telephone 024 7683 2183 or write to the Taxi Licensing Office, Whitley Depot, 259 London Road, Coventry CV3 4AR or email: taxi.licensing@coventry.gov.uk

SEPTEMBER 2008

Appendix 5: Hackney Carriage Fares Current, Proposed and Compared to Neighbour Authorities

Tariff Use	**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	Day Rate	*(23:00-05:00, Sundays, Bank Holiday, 5+ passengers)*	n/a
Coventry (2008)	06:00-22:00	22:00-06:00	Christmas, Bank Holidays, New Year
Stratford (2012)	*07:00-23:00*	*23:00-07:00, Sundays, Bank Holidays*	*Christmas Day, Boxing Day, New Year's Day*
Proposed WDC	Day Rate <4 passengers	Sundays, Bank Holidays, 22:00-06:00, 5+ passengers day rate	Christmas, New Year and 5+ passengers - 22:00-06:00, Sundays and Bank Holidays

First Measure		**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	First Mile (1760 yards)	£3.40 £2.38 first 7/10 mile*	£4.70 £3.29 first 7/10 mile*	n/a
Coventry (2008)	First 8/10 mile or 6 mins	£2.80 £2.45 first 7/10 mile*	£3.60 £3.15 first 7/10 mile*	£3.90 £3.41 first 7/10 mile*
Stratford (2012)	First 704 Yards	£2.20 *+50% for 5+ passengers* £4.03 first 7/10 mile* *+50% for 5+ passengers*	£3.30 *+50% For 5+ Passengers* £5.77 first 7/10 mile* *+50% for 5+ passengers*	£4.40 *+50% For 5+ Passengers* £7.70 first 7/10 mile* *+50% for 5+ passengers*
Proposed WDC	First 7/10 mile	£3.40	£5.10	£6.80

Subsequent Distance		**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	1/8 mile	£0.20 £0.16 per 1/10 mile*	£0.30 £0.24 per 1/10 mile*	n/a
Coventry (2008)	1/10 mile	£0.20	£0.20	£0.30
Stratford (2012)	1/10 mile	£0.20*+50% For 5+ Passengers*	£0.28 (£0.20 per 1/14 mile) *+50% For 5+ Passengers*	£0.40*+50% For 5+ Passengers*
Proposed WDC	1/10 mile	£0.20	£0.30	£0.40

Waiting Time		**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	45 seconds	£0.10 £0.07 per 30 seconds*	£0.15 £0.10 per 30 seconds*	n/a
Coventry (2008)	48 seconds	£0.20 £0.13 per 30 seconds*	£0.20 £0.13 per 30 seconds*	£0.20 £0.13 per 30 seconds*
Stratford (2012)	1 minute	£0.20*+50% For 5+ Passengers* £0.10 per 30 seconds* +50% for 5+ passengers	£0.20*+50% For 5+ Passengers* £0.10 per 30 seconds* +50% for 5+ passengers	£0.60 (£0.30 per 30 seconds) *+50% For 5+ Passengers* £0.30 per 30 seconds* +50% for 5+ passengers
Proposed WDC	30 seconds	£0.10	£0.15	£0.20

Soiling Charge	**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	£50	£50	n/a
Coventry (2008)	£40	£40	£40
Stratford (2012)	£45	£45	£45
Proposed WDC	£75	£75	£75

Two Mile Fare	**Tariff 1**	**Tariff 2**	**Tariff 3**
Current WDC (2008)	£5:00	£7.10	n/a
Coventry (2008)	£5.20	£6.00	£7.50
Stratford (2012)	£5.60 *+50% For 5+ Passengers* *(£8.40)***	£8.06 *+50% For 5+ Passengers* *(£12.09)***	£11.20 *+50% For 5+ Passengers* *(£16.80)***
Proposed WDC	£6.00	£9.00	£12

*Rates calculated to comparable distances and times with proposed WDC rates. Although misleading as the first distance rates vary causing the subsequent distance rates to be enacted at different times.
** Cost of fare with 5+ passengers.

Example Fare increases to Journeys within Warwick District

Journey from Smack Nightclub to Gibbet Hill, Warwick University at 3am (8miles)

Current Tariff 2	Proposed Tariff 2 (Four or less passengers)	Proposed Tariff 3 (Five+ passengers)
£21.90	£27.00	£36.00

Journey from Golf Lane, Whitnash to Warwick Hospital at 11am on a weekday or Saturday (4.5miles)

Current Tariff 1	Proposed Tariff 1
£9.00	£11.00

Journey from Premier Inn, Warwick to Birmingham Airport (16miles)

Current Tariff 1	Proposed Tariff 1	Current Tariff 2 (11pm – 5am & 5+)	Proposed Tariff 2 (10pm – 6am)	Proposed Tariff 3 (5+)
£27.40	£34	£41.40	£51	£68

WARWICK DISTRICT COUNCIL

Hackney Carriage Fares in Warwick District Council

Effective from ****

	Tariff 1	Tariff 2	Tariff 3
For the first 7/10 of a mile (1232 yards)	**£3.40**	**£5.10**	**£6.80**
For each subsequent 1/10 of a mile (176 yards)	**£0.20**	**£0.30**	**£0.40**
Waiting Time for up to every 30 seconds	**£0.10**	**£0.15**	**£0.20**
Soiling/Cleaning Charge	**£75**	**£75**	**£75**

Tariff 1 For use on any day except as below

Tariff 2 For use on Sundays, Bank Holidays and between the hours of 22:00 and 06:00 or when a vehicle carries five or more passengers outside the above hours

Tariff 3 For use on Christmas and New Year* and when a vehicle carries five or more passengers between the hours of 22:00 and 06:00 and Sundays and Bank Holidays

*Between 18:00 on 24 December to 06:00 27 December and between18:00 on 31 December and 06:00 2 January.

The Law does not permit a taxi driver to charge more than the price shown on the (which will be calculated at the rates shown above) unless the journey end outside the District boundary and you and the driver have agreed a different fare BEFORE the journey commences.

Warwick District Hackney Carriage Owners / Drivers
Wednesday 18th September 2013

RE: Proposed Taxi Fare Increase 2013

Dear Madam / Sir,

It has been almost 5 years and 6 months since the taxi fares were last reviewed. Since this time the costs of living, fuel prices, insurances, maintenance, VAT, council licence fees and every household bill have significantly increased.

Almost every taxi driver feels the same way and supports this proposal for a taxi fare increase.

Even members of the public who use taxis on a regular basis sympathise with the situation and support the application for a fare rise.

With a lot of consultation and careful consideration we the undersigned Warwick District hackney carriage owners and drivers propose the following attached fare increase proposal.

We urge Warwick District Council to approve this proposal and implement it as soon as possible.

Kind Regards
Undersigned
Warwick District Licenced Hackney Carriage Owners And Drivers.

ENCS.

<u>Proposed Fare Increase 2013</u>

The Hackney Carriage owners and drivers of Warwick District Propose a fare increase which is set out below.

The Last Fare Increase was in March 2008.

TARIFF 1

Distance	For Any Distance up to 7/10 of a mile (1232 yards) For Each Subsequent 1/10 of a mile (176 yards)	**£3.40*** **£0.20***
Waiting Time	For Each Period of 30 seconds or part of 30 seconds	**£0.10***
Extras	Soiling Charge	**£75.00**
Between 22.00 And 06:00 And Sundays And Bank Holidays And When A Suitable Vehicle Carries 5 Or More Passengers The Rates Marked * In The Boxes Above Will Be Increased By 50% (Tariff 2) When Tariff 2 is Applicable And During This Time A Suitable Vehicle Carries 5 Or More Passengers The Rates Marked * In The Boxes Above Will Be Increased By 100% (Tariff 3) Tariff 3 Also Applicable For All During The Following Christmas / New Year Dates: Between 18:00 24th December And 06:00 27th December Between 18.00 31st December And 06:00 2nd January		

TARIFF 2

Distance	For Any Distance up to 7/10 of a mile (1232 yards) For Each Subsequent 1/10 of a mile (176 yards)	**£5.10*** **£0.30***
Waiting Time	For Each Period of 30 seconds or part of 30 seconds	**£0.15***
Extras	Soiling Charge	**£75.00**

TARIFF 3

Distance	For Any Distance up to 7/10 of a mile (1232 yards) For Each Subsequent 1/10 of a mile (176 yards)	**£6.80*** **£0.40***
Waiting Time	For Each Period of 30 seconds or part of 30 seconds	**£0.20***
Extras	Soiling Charge	**£75.00**

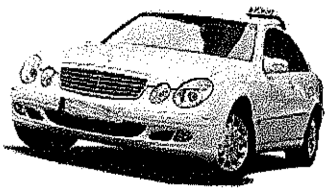
Additionally we request that each year the taxi fares be reviewed by the committee and adjusted accordingly in line with CPI and Inflation.

Tariff 3 Cost Saving Example

Example based on more than 4 passengers either choosing to hire 2 saloon taxis that can carry upto 4 passengers each or hiring one MPV taxi that can carry up to 8 passengers.

2 Saloon Taxis -

+



1 to 4 Passengers £5.10 + **1 to 4 Passengers - £5.10**

Total – £10.20

ALTERNATIVE -

1 MPV Taxi -

5 to 8 Passengers £6.80

Total - £6.80

Total Customer Saving – £3.40 within the initial hiring period

Saving after 1 mile would be £4.00

Saving after 2 miles would be £6.00

Saving after 5 miles would be £12.00

FARE EXAMPLES

	1 Mile	2 Miles	5 Miles	10 Miles
Current Tariff 1	**3.40**	**5.00**	**9.80**	**17.80**
Proposed Tariff 1	**4.00**	**6.00**	**12.00**	**22.00**
Current Tariff 2	**5.10**	**7.50**	**14.70**	**26.70**
Proposed Tariff 2	**6.00**	**9.00**	**18.00**	**33.00**
Proposed Tariff 3	**8.00**	**12.00**	**24.00**	**44.00**

	Executive – 12th March 2014	Agenda Item No. **8**

Title	**Rural/Urban Capital Improvement Scheme (RUCIS) Criteria**
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 e mail: fsteam@warwickdc.gov.uk
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	N/A
Background Papers	Rural/Urban Capital Improvement Scheme details

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

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	18.2.14	Chris Elliott
Head of Service	18.2.14	Mike Snow
CMT	18.2.14	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	18.2.14	Mike Snow
Monitoring Officer	18.2.14	Andy Jones
Finance	18.2.14	Mike Snow
Portfolio Holder(s)	18.2.14	Cllr Mobbs
Consultation & Community Engagement		
Community Partnership Team and Manoj Sonecha (Active Communities Officer) – Email explaining suggested changes sent 30.1.14, Copy of report forwarded 18.2.14 Noted on RUCIS webpage on Council website – 31.1.14		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

1.1 This report aims to seek the Executive approval of the revised criteria for the Rural / Urban Capital Improvement Scheme (see appendix 1).

2. **RECOMMENDATION**

2.1 That the Executive agree the revised criteria for the Rural / Urban Capital Improvement Scheme. Proposed changes are as follows:

- The maximum award amount is reduced from £50,000 to £30,000 for applications received from 1st April 2014 onwards

- A grant can only be considered if the applying organisation has no outstanding projects that have previously received funding from the RUCIS scheme

(see appendix 1)

3. **REASONS FOR THE RECOMMENDATION**

3.1 Historically there has been a steady volume of RUCIS applications throughout each year which on the whole have been approved if they met the scheme criteria; however, the budget for the scheme has usually been under spent with slippage being carried forward into the next financial year.

3.2 Within the current 2013/2014 financial year we have seen a high level of interest in the RUCIS scheme and experienced an increase in applications for large amounts (see appendix 2 – for analysis of recent grant applications and expected applications) which has left the budget close to being fully spent for the first time since the scheme was introduced.

3.3 Potentially the budget for the 2014/15 financial year, including slippage from 2013/14, may run-out in the early part of the year with some large applications expected.

3.4 Historically there have been some projects where RUCIS awards have been allocated which have then been unspent for a number of years as projects have not progressed as noted within the RUCIS application; this has resulted in allocated budget being carried forward as slippage year after year which potentially prevents other well-deserving non-profit community organisations receiving funding support. The revised criterion that was introduced in 2013/14 established a condition whereby grants must be used within 12 months of the offer being made unless there are exceptional circumstances; with the higher level of interest being experienced in the scheme this was to ensure that the budget was used in a timely manner and to prevent other community organisations missing out on funding opportunities. To further support this it is suggested that organisations are limited to having one live RUCIS funded project at a time.

4. POLICY FRAMEWORK

4.1 The Rural and Urban Capital Improvement Scheme supports the Sustainable Community Strategy and the cross cutting themes which form the priorities for funding areas as follows:-

Community Engagement & Cohesion (including Families at Risk)
Targeting disadvantaged rural locations
Narrowing The Gaps

5. BUDGETARY FRAMEWORK

5.1 The budget for the Rural/Urban Capital Improvement Scheme applications for 2014/15 is £150,000 (£75,000 for rural projects and £75,000 for urban projects).

5.2 The unallocated budget from 2013/2014 currently £33,208 subject to the approval of the grant proposed elsewhere on this agenda will be requested to be as part of the June Final Accounts Report. This will sit within a separate cost centre budget so as to be added to either Rural or Urban schemes once the 2014/2015 budget has been used.

6. RISKS

6.1 The main risk of not adopting the proposal is that the 2014/15 RUCIS budget is fully used early in the new financial year resulting in the Council being unable to help other well-deserving non-profit organisations later in the year with capital projects which contribute to the Sustainable Community Strategy.

7. ALTERNATIVE OPTION(S) CONSIDERED

7.1 The Council could do nothing and retain the current criteria, however, this is not deemed a viable option as per the rationale noted above in the reasons for the recommendation.

7.2 To reduce the maximum value the Council could decide an alternative amount.

7.3 The scheme currently accepts applications throughout the year for consideration by the next suitable Executive meeting. It is possible to move to a scheme whereby all applications are considered together with there being an annual or quarterly deadline. If applications exceed the available budget this would enable a more objective prioritisation of projects. However, an annual or quarterly application deadline may cause delays for many organisations in securing funding. This may also be a problem in cases of "unforeseen" applications (i.e. responding to an emergency), or if further funding sources are dependent on an organisation showing a degree of funding has already been secured. On balance, it is not believed that there is a strong enough case to change from the current process.

8. BACKGROUND

8.1 The Council operates a Rural and Urban Capital Improvement Scheme (RUCIS) which gives grants to non-profit community organisations towards capital projects that are located in an area of Warwick District.

8.2 Historically there has been a fairly low volume of applications throughout each year which has meant that the budget for the scheme has usually been under spent with slippage being carried forward into the next financial year.

8.3 The scheme hasn't previously been widely publicised although details can be found on the Council's website and most Parish / Town Council's should be aware of the scheme.

8.4 However, interest in the scheme has increased in the last 12 months and there has also been an increase in the number of high value awards. (see appendix 2)

8.5 This leads to the question of whether we want to help fund a few large projects or fund more small to medium projects.

8.6 The key criteria revisions recommended are as follows:

Amendments to Existing Criteria

- The maximum amount has been decreased to £30,000, it now reads: "The amount requested must be within the range of a minimum of £1,000 up to a maximum of £30,000"

- The criteria that states grants can only be awarded once in a two year period has been extended to include that a grant can only be considered if the organisation has no outstanding projects that have previously received funding, it now reads: "Please note that grants will only be awarded once in a two year period, for example; if an organisation is successful with a grant application in 2013 they will not be able to apply again until 2015 after the 2 year anniversary of the previous award. Additionally, a grant can only be considered if the applying organisation has no outstanding projects that have previously received funding from the RUCIS scheme."

RURAL AND URBAN CAPITAL IMPROVEMENT SCHEME (RUCIS) 2014/15

Warwick District Council operates a Rural and Urban Capital Improvement Scheme which gives grants to non-profit community organisations towards capital projects that are located in an area of Warwick District.

What is Capital ?

Capital can be defined as "funds used by an organisation to purchase or upgrade physical assets such as property or equipment".

This type of outlay is made by organisations to maintain or increase the service and / or facilities available.

Examples of capital expenditure that we can fund include:

- Repairing a roof or ceiling
- Construction of a new building
- Resurfacing facilities, i.e. car parks, drive ways, tennis courts
- New kitchen or toilet facilities
- Purchase of play equipment
- Purchase of machinery such as a tractor for mowing

Types of organisations that we have helped so far....

- Village halls
- Sports clubs
- Parish Councils

Who can apply ?

Before you read on, please check if your organisation is eligible....

- Must be a non-profit making organisation
- Have an organised / formal structure
- Can provide the last 3 years independently audited annual accounts, a bank statement of not more than 3 months old and evidence of any savings / investment accounts
- Must be run for and by local people within an area of Warwick District

Grants cannot be awarded if....

- It isn't capital expenditure as defined above
- It is a project which should normally be funded by statutory agencies
- You are an individual and not an organisation
- It is a scheme for the advancement of religion
- You are an organisation which supports or opposes a political party or party political aims
- It is a scheme that requires the Council to assist with future running costs
- The project has already taken place or started before a grant is awarded

The organisation has reserves to fund the project themselves, i.e. cash reserves / savings that total more than 12 months of the organisations operating costs

The project is not sustainable for a minimum of 5 years

Please note that grants will only be awarded once in a two year period, for example; if an organisation is successful with a grant application in 2013 they will not be able to apply again until 2015 after the 2 year anniversary of the previous award. Additionally, a grant can only be considered if the applying organisation has no outstanding projects that have previously received funding from the RUCIS scheme.

Criteria

Grant applications must meet the following criteria:

The amount requested must be within the range of a minimum of £1,000 up to a maximum of £30,000

The project must contribute to the Council's Sustainable Communities Strategy by meeting a minimum of two of the following aims:

- Reduce anti-social behaviour
- Reduce obesity, particularly in children
- Increase opportunities for everyone to enjoy and participate in sports, arts and cultural activities
- Engage and strengthen communities
- Target disadvantage in rural / urban areas

The project must provide or enhance facilities within an area of Warwick District

Must provide evidence that the project fulfils a clearly defined need and they show a degree of community support or clear benefit, for example;

- Letters of support or complaint
- Parish plan
- Questionnaire or survey results
- Requests from the community
- Evidence of Health & Safety issues

The organisation must provide part-funding of the scheme, and provide evidence of all other funding sources

"In-kind" contributions cannot be considered as part of the funding for the total project costs

Future “local fundraising” cannot be considered as part of the funding for the total project costs; only funds currently held by the organisation can be considered

The project must be formally supported by the Parish/Town Council; this should normally include a financial contribution to the project

The amount requested from the Council should not exceed a maximum of 50% of the total cost of the project

The project must not require the Council to assist with any future running costs

Projects that involve leasehold premises must have a minimum of 5 years lease remaining

Grant Conditions

The following conditions apply to all grant applications and grant awards made:

Three separate written quotations must be supplied

In considering the amount to grant award, regard shall be had to the applicant’s level of financial reserves and to what extent the organisation is able to provide funding to the scheme

Proposals must be open to examination by the council’s officers and advisors, including the right to monitor works; the Council reserves the right to make site visits at the application stage pre-award, during works and once the project has been completed

If funding is being sought from other District Council sources, the total funding from the District Council, whatever source, will not normally exceed 50%

All prices given in the grant application **must** be the expected level of costs. No allowance for inflation will be made once the grant has been awarded

Grants must be used within 12 months of the offer being made unless there are exceptional circumstances; awards not used within the 12 month period may be withdrawn

Payment of grants will be made directly to the organisation undertaking the project and **not** to a contractor

Where the full amount of expenditure as detailed on the application form has not been met the amount of the grant will be reduced by a proportional amount

The offer of a grant from the Council does **not** convey approval of technical, legal, financial or other matters relating to the project, which will remain the responsibility of the applicant. The council cannot accept liability for any misjudgements by applicants regarding the budgeting, design, technical standards or any other aspects

The award of a grant remains at the discretion of the Council regardless of whether or not an application meets the grants rules and conditions

Loss in revenue from lettings or any additional costs incurred, for example, the cost of using alternative premises while grant aided works are being carried out, are not eligible for compensation from the Council. Applicants should plan their projects accordingly to minimise such problems

Where grants are offered for premises projects, in return the Council reserves the right to use the premises for election purposes at an appropriate charge providing adequate notice is given

The Council may require repayment of all or part of the grant if the asset created is disposed of or undergoes a significant change of use within 5 years of the project

Areas – Parish/Town Councils

Schemes do not need to be in the name of the Parish/Town Council but as noted within the criteria above they must support the scheme

Parish/Town Councils will be required to put a priority order on schemes when more than one is submitted for an individual parish/town

The local Parish/Town Council should normally contribute towards the cost of the project and may specifically need to allow for this within its budget and precept.

It should be noted that Parish/Town Councils will not be able to claim via the District Council's Concurrent Services scheme for any contributions made towards a schemes annual running costs following completion of the works for which a Rural / Urban Capital Improvement Scheme grant has been awarded.

How to apply?

A Rural/Urban Capital Improvement Scheme Application form must be completed. This will need to be supplemented with additional information as appropriate; please refer to the checklist at the end of the form to ensure that you have included everything.

Completed applications should be sent to:

Jon Dawson
Warwick District Council
Finance
PO BOX 2180
CV32 5QW

Or emailed to:

fsteam@warwickdc.gov.uk

Any queries please telephone 01926 456204 or email fsteam@warwickdc.gov.uk

Applications can be considered throughout the year by the Council's Executive Committee. However, please note that there is a limited budget therefore applications will be considered on a first come first served basis until the budget has been spent.

Once an application is received…

Your application will be acknowledged within 5 working days; we will contact you if any further information is required.

If your application does not meet the eligibility criteria or cannot be recommended for approval we will formally write to you to advise you of the decision and the reasons why.

If your application is recommended for approval, it will then be considered at the next available Executive Committee meeting where a final decision is made.

There is a 5 day call-in process once the Executive decisions are published on our website, once your application has passed through this process we will formally contact you to confirm the decision.

The Executive committee meeting dates are published on our website, www.warwickdc.gov.uk

Important - no expenditure can be incurred on the project before the formal confirmation of the approved award.

Payment of the grant is normally on production of receipted invoices at the end of the project. If this causes cash flow problems we may be able to make stage payments of 50% of the cost, again on production of receipted invoices.

Analysis of Grant Applications

Rural / Urban Capital Improvement Scheme 2013/14

Budget 2013/14		**£150,000.00**
Slippage 2012/2013 (allocated+unallocated)		**£119,571.00**
Overall Total Budget 2013/14		**£269,571.00**
Spend so far 2013/14 (ALL CODES)		**£73,936.18**
Sub Total		**£195,634.82**
Outstanding Schemes	**No.**	
Bishops Tachbrook	175	£50,000.00
Baginton Parish Council	178	£395.59
Warwick Sports Club	184	£7,190.05
Baginton Village Hall	189	£7,500.00
Whitnash Town Council	190	£24,500.00
Slippage already budgeted/allocated		**£89,585.64**
AMOUNT FOR UNDER BUDGET SLIPPAGE INTO 2014/15		**£106,049.18**

The RUCIS criteria was reviewed in early 2013 during which there was some debate with regards to implementing minimum and maximum amounts; the initial proposal advocated implementing a maximum amount of £30,000, however, after due consideration the following limits were agreed; £1,000 Minimum - £50,000 Maximum.

We currently have the potential of running out of budget for the first time since the grant scheme was introduced, added to this is the potential that next year's budget may run-out early in the financial year with some large applications expected. Details as follows:

APPLICATIONS AT JANUARY 2014 EXEC	
Leek Wootton & Guys Cliffe Parish Council	£4,400
Leamington Football Club	£30,000
Sub-Total	**(£34,400)**
APPLICATION AT FEBRUARY 2014 EXEC	
Leamington RFC	£36,000
Sub-Total	**(£36,000)**
If the above applications are agreed:	
REMAINING UNDER BUDGET SLIPPAGE INTO 2014/15	**£35,649**
BUDGET 2014/15	**£150,000**
POTENTIAL BUDGET INCLUDING SLIPPAGE 2014/15	**£185,649**

DRAFT APPLICATIONS RECEIVED

ORGANISATION - Whitnash Sports & Social Club

PROJECT – Demolish existing hall which is a very poor condition and build a new modern hall that includes kitchen facilities, disabled toilets and referees changing rooms.

POSSIBLE TIMESCALE – Report for March or April 2014 Executive

AMOUNT - £50,000 (Urban Budget)

ORGANISATION - Age UK

PROJECT – Purchase a new mini-bus to replace existing unreliable vehicle; is used to transport older people to community events and social activities. The proposed new mini-bus would also be a larger vehicle to increase capacity for wheelchair users

POSSIBLE TIMESCALE – Report for March or April 2014 Executive

AMOUNT - £20,000 (Urban Budget)

Sub-Total **(£70,000)**

EXPECTED APPLICATIONS

ORGANISATION - Leamington Netball Club

PROJECT – Build and equip a courtside facility to provide toilet facilities (including disabled toilets), a social / mentoring / de-brief area and a kitchen

POSSIBLE TIMESCALE – Report for March or April 2014 Executive

AMOUNT - £50,000 (Rural Budget)

Sub-Total **(£50,000)**

POSSIBLE APPLICATIONS (approx amounts)

ORGANISATION - Kenilworth Town FC

PROJECT – Regeneration of existing Gypsy Lane site; we've not had any specific details to-date as the club are in the process of discussing ideas with their architect and looking at planning permission. General discussion has been around building work to create changing facilities.

POSSIBLE TIMESCALE - Report for April / May 2014 Executive

AMOUNT - £25,000 (Urban Budget)

ORGANISATION - Lapworth Amateur Dramatics

PROJECT – New lighting system

POSSIBLE TIMESCALE – Report for March or April 2014 Executive

AMOUNT - £3,750 (Rural Budget)

Sub-Total	**(£28,750)**
TOTAL AMOUNT OF POTENTIAL APPLICATIONS 2014/15	**£148,750**
POTENTIAL REMAINING BUDGET INCLUDING SLIPPAGE 2014/15	**£36,899**

It's very difficult to predict what other level of interest there might be; over the last 3 years whilst the number of successful awards has been similar, the level of interest has appeared higher this year (there has also been 5 declined applications and one withdrawn application) and the % of larger application amounts and the overall amount awarded will be higher this year than the previous financial years.

Please see an analysis below of the amounts awarded over the last 3 financial years; if we now have a trend of more interest/awareness in RUCIS and potentially further increases in the number of large amount applications, the number of applications in general or maybe both it is most likely that we will not have sufficient budget next year to meet demand.

RUCIS AWARD AMOUNTS ANALYSIS

	2011/2012 - Awarded £124,437	2012/2013 - Awarded £124,739	2013/2014 - Awarded £149,587 (Predicted)	AVERAGE OVER 3 YEARS
AMOUNT RANGE - UP TO £5,000	£2,529 average (4 awards)	£2,180 average (3 awards)	£2,882 average (2 awards)	£2,530 average (3 awards)
AMOUNT RANGE - £5,001 TO £10,000	£8,923 average (1 award)	£9,000 average (1 award)	£7,291 average (3 awards)	£8,405 average (1 award)
AMOUNT RANGE - £10,001 TO £20,000	£12,900 average (1 award)	£14,600 (2 awards)	£0	£13,750 average (1 award)
AMOUNT RANGE - £20,000+	30,833 average (3 awards)	£40,000 average (2 awards)	£30,488 average (4 awards)	£33,774 average (3 awards)
LARGE AWARDS £20,000 +	33%	25%	44%	

NOTE: 2013/2014 doesn't include possible £20,000 Age UK application

NOTE: in 2014/2015 besides the £20,000 AGE UK draft application we are already predicting two further £50,000 applications against a combined annual budget of £150,000

Generally speaking, historically two thirds of the successful applications average less than £10,000 per award with around a third of applications being over £20,000.

I think this demonstrates that we need discussion regarding the scheme to consider; a) continuing as we are on the basis that budget may run out on a first come first served basis, b) reducing the maximum amount, or c) whether or not we can expand the budget and if in fact we want to expand it.

WARWICK DISTRICT COUNCIL	Executive – 12th March 2014	Agenda Item No. **9A**

Title	**Rural/Urban Capital Improvement Scheme (RUCIS) Application**
For further information about this report please contact	Jon Dawson Finance Administration Manager 01926 456204 e mail: fsteam@warwickdc.gov.uk
Wards of the District directly affected	Budbrooke
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	N/A
Background Papers	Rural/Urban Capital Improvement Scheme details. Rural/Urban Capital Improvement Applications file No. 194 onwards; correspondence with Applicant.

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

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	18.2.14	Chris Elliott
Head of Service	18.2.14	Mike Snow
CMT	18.2.14	Chris Elliot, Bill Hunt and Andy Jones
Section 151 Officer	18.2.14	Mike Snow
Monitoring Officer	18.2.14	Andy Jones
Finance	18.2.14	Mike Snow
Portfolio Holder(s)	18.2.14	Cllr Mobbs
Consultation & Community Engagement		
Community Partnership Team and Manoj Sonecha (Active Communities Officer) –Copy of report forwarded 5th February 2014		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

1.1 This report provides details of a Rural/Urban Capital Improvement Scheme grant application by Sherbourne Village Hall to refurbish existing toilet facilities and install a new disabled toilet and baby changing unit.

2. **RECOMMENDATION**

2.1 It is recommended that the Executive approves a Rural/Urban Capital Improvement Grant from the Rural cost centre budget for Sherbourne Village Hall of 49% of the total project costs to refurbish existing toilet facilities and install a disabled toilet and baby changing unit, up to a maximum of £2,675

(see appendix 1)

3. **REASONS FOR THE RECOMMENDATION**

3.1 The Council operates a scheme to award Capital Improvement Grants to organisations in rural and urban areas. The grant recommended is in accordance with the Council's agreed scheme and will provide funding to help the project progress.

3.2 This project contributes to the Council's Sustainable Community Strategy as without the village hall there would be fewer opportunities for the community to enjoy and participate in arts and cultural activities which could potentially result in an increase in anti-social behaviour. The installation of disabled toilet facilities and a baby changing unit will also increase opportunities for members of the community to enjoy and participate in these activities in turn further engaging and strengthening the community.

4. **POLICY FRAMEWORK**

4.1 The Rural and Urban Capital Improvement Scheme supports the Sustainable Community Strategy and the cross cutting themes which form the priorities for funding areas as follows:-

Community Engagement & Cohesion (including Families at Risk)
Targeting disadvantaged rural locations
Narrowing The Gaps

5. **BUDGETARY FRAMEWORK**

5.1 The budget for the Rural/Urban Capital Improvement Scheme Applications for 2013/14 is £150,000 (£75,000 for Rural Projects and £75,000 for Urban Projects). The unallocated budget from 2012/13 has been added to this and sits within a separate cost centre budget; this can be added to either Rural or Urban schemes once the 2013/14 budget has been used.

5.2 There is £18,600 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the Rural cost centre budget in 2013/14. If the application within this report from Sherbourne Village Hall for 49% of the total project costs, up to a maximum of £2,675 is approved, £16,159 will remain in the Rural Cost Centre budget.

5.3 There are no funds remaining for Rural/Urban Capital Improvement Scheme Grants from the Urban cost centre budget for 2013/14.

5.4 There is £17,049 available to be allocated for Rural/Urban Capital Improvement Scheme Grants from the unallocated 2012/13 budget.

6. RISKS

6.1 There are no main risks for this proposal.

7. ALTERNATIVE OPTION(S) CONSIDERED

7.1 The Council has only a specific capital budget to provide grants of this nature and therefore there are no alternative sources of funding if the Council is to provide funding for Rural/Urban Capital Improvement Schemes.

7.2 Members may choose not to approve the grant funding, or to vary the amount awarded.

8. BACKGROUND

8.1 Sherbourne Village Hall has submitted a RUCIS application to refurbish existing toilet facilities and to install a disabled toilet and baby changing unit.

8.2 The RUCIS application is for 49% of the total project costs up to a maximum of £2,675.

8.3 Sherbourne Village Hall is not registered for VAT; they won't be reclaiming VAT in connection to this project therefore the award will be inclusive of VAT.

8.4 Sherbourne Village Hall has committed £200 to the project from their limited cash reserves.

8.5 Barford, Sherbourne and Wasperton JPC support the project and have agreed to contribute £2600.

8.6 Sherbourne Village Hall has previously had a successful Rural Initiatives Grant application in 1998/99 of £2,721 (96% of the total project costs) for improvements to the hall.

This application meets the criteria whereby after a successful grant award an organisation must wait for a minimum of 2 years before re-applying for a new grant. It is therefore recommended that the Executive approves an award of a Rural / Urban Capital Improvement grant to Sherbourne Village Hall of 49% of the total cost of the project inclusive of VAT subject to a maximum of £2,675.

RURAL/URBAN CAPITAL IMPROVEMENT SCHEME - 12th MARCH 2014 EXECUTIVE **APPENDIX 2**

Summary of Financial Impact of Approving Scheme

Scheme Description	RURAL	URBAN	SLIPPAGE	TOTAL
Original 2013/14 Budget	£75,000	£75,000	£0	£150,000
Resources brought forward from 2012/13 to 2013/14				
Total Slippage from 2012/13 to 2013/14	£0	£0	£119,571	£119,571
Rural/Urban Capital Improvement Grants already approved 2012/13	£0	£0	-£89,885	-£89,885
Rural/Urban Capital Improvement Grant unallocated balance 2012/13	£0	£0	£29,686	£29,686
				£179,686
19th June 2013 Executive				
Warwick Sports Club		-£31,450		-£31,450
7th August 2013 Executive				
Leek Wootton Sports Club	-£8,500			-£8,500
11th September 2013 Executive				
Shree Krishna Community Centre		-£1,364		-£1,364
Central Ajax FC		-£5,873		-£5,873
13th November 2013 Executive				
Baginton Village Hall	-£7,500			-£7,500
11th December 2013 Executive				
Whitnash Town Council		-£24,500		-£24,500
8th January 2014 Executive				
Leek Wootton & Guys Cliffe Parish Council	-£4,400			-£4,400
Leamington Football Club		-£13,195	-£16,805	-£30,000
12th February 2014 Executive				
Leamington Rugby Club	-£36,000			-£36,000
12th March 2014 Executive				
Sherbourne Village Hall (proposed)	-£2,675			-£2,675
Projects Closed - Underspends / Withdrawn				
Canalside Community Food Project			£3,000	£3,000
Budbrooke Parish Council			£1,168	£1,168
Central Ajax FC		£18		£18
Shree Krishna Community Centre		£1,364		£1,364
Baginton Village Hall	£234			£234
Remaining Budget	**£16,159**	**£0**	**£17,049**	**£33,208**

	Insert name and date of meeting in this box.	**Agenda Item No.** **9B**

Title	Discretionary Rate Relief
For further information about this report please contact	David Leech
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	
Background Papers	Appendix 1 – Retail Relief guidance issued by the DCLG

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

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	24/2/14	Chris Elliott
Head of Service	24/2/14	Mike Snow
CMT	24/2/14	Chris Elliott, Andy Jones & Bill Hunt
Section 151 Officer	24/2/14	Mike Snow
Monitoring Officer	24/2/14	Andy Jones
Finance	24/2/14	Mike Snow
Portfolio Holder(s)	24/2/14	Andrew Mobbs
Consultation & Community Engagement		
This is a government initiative fully funded and in view of the timescales for implementation it is not practical to undertake a consultation exercise.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

1.1 This report provides details of relief for businesses announced in the Autumn Statement and seeks approval for adopting these measures through the discretionary rate relief scheme.

2. **RECOMMENDATION**

2.1 That the Executive agrees to adopt the reliefs as specified in this report and the guidance issued by the Department for Communities and Local Government following announcement in the Autumn Statement on 5th December 2013.

3. **REASONS FOR THE RECOMMENDATION**

3.1 As these are temporary measures the Government announced its intention that it would not be altering legislation in order to effect these changes. Instead they are requesting local authorities to use their discretionary powers (under section 47 of the Local Government Finance Act 1988) to grant relief in prescribed circumstances. The reliefs are intended to be for 2014/15 and 2015/16 only.

3.2 It is for individual local authorities to decide to grant relief under section 47 but if the local authority chooses to support the Autumn Statement initiatives then central Government will fully reimburse local authorities for the local share of the discretionary relief.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework** –The adoption of these discounts supports the sustainable community strategy and the prosperity priority theme particularly incentivising growth of existing businesses and attracting inward investment.

5. **BUDGETARY FRAMEWORK**

5.1 Central Government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of any relief awarded.

5.2 Despite repeated requests the Government have yet to respond formally to the question of administration funding to compensate local authorities for the additional work required to implement the reliefs. Normally compensation would be made available in accordance with the new burdens doctrine. However, as the Government have been silent on this matter, there is a view that it will not be treated as 'new burdens' because the Government have effectively slotted in these initiatives alongside existing legislation. Software changes alone are likely to be in the region of £10,000

6. RISKS

6.1 The main risk is as described in 5.2 above in that the actual cost of administering the reliefs will fall upon the local authority if the Government deem the work not in line with the new burdens doctrine.

7. ALTERNATIVE OPTION(S) CONSIDERED

7.1 As the award of relief is discretionary the Council could choose not to adopt these initiatives if for example it was considered that awarding of relief would not be in accordance with the authority's wider objectives. However the Government have been quite clear in their guidance that their expectation is that local authorities will adopt these measures. Given the cost of relief will be met by the Government, if we choose not to adopt these initiatives it could send out the wrong message to the local business community.

8. BACKGROUND

8.1 Section 47 of the Local Government Finance Act 1988 provides local authorities with discretionary powers to grant relief from non domestic rates on property occupied by charities and other non-profit making organisations. Current policy for the determination of awards of relief and the guidelines that underpin such awards were set out in a report to Executive in December 2010.

8.2 The Localism Act 2011 introduced an additional power for local authorities to award a local discretionary relief to any business providing the granting of that relief can be deemed reasonable from the perspective of council tax payers in the local area.

8.3 It was announced in the Autumn Statement that two temporary reliefs would be introduced but delivered through local authority discount powers (sec 47of the Local Government Finance Act 1988). Given the section 47 is a discretionary power it is for each local authority to decide to adopt these changes although the Government expect local authorities to support the changes.

8.4 The new reliefs are as follows;

a) Relief will be available up to a maximum of £1000 to all occupied retail properties with a rateable value of £50,000 or less that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments. A list of the properties that are included can be found in the guidance notes issued by the Department for Communities and Local Government in Appendix A. It is estimated that within Warwick District Council there are approximately 1000 qualifying properties.

b) A 50% discount will be available for new occupants of previously empty retail premises that have been empty for at least a year. The relief will be available to businesses moving in to properties between 01 April 2014 and 31 March 2016. No guidance has yet been issued by the Government on how this work. In Warwick District we currently have 304 properties that have been empty in excess of a year although not all of these are retail premises.

8.5 In the previous Autumn Statement 2012 an additional relief was announced for newly built commercial property completed between 01 October 2013 and 30 September 2016 which will exempt them from empty property rates for the first 18 months.

8.6 The above measures are subject to State Aid de minimis limits. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary rate relief to ratepayers is likely to amount to State Aid. The de mininis Regulations allow an undertaking to receive up to 200,000 euros in a three year period (being the current year and two previous financial years). The Council will need to establish that the award of rate relief will not result in the threshold being exceeded. This will be achieved via application form and a self declaration from the business applying for relief.

Department for Communities and Local Government

Business Rates

Retail Relief – Guidance

January 2014
Department for Communities and Local Government

This document/publication is also available on our website at www.gov.uk/dclg

If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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January 2014

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Contents

Business Rates Retail Relief – Guidance

About this guidance

1. This guidance is intended to support local authorities in administering the “Retail Relief” announced in the Autumn Statement on 5 December 2013. This Guidance applies to England only.

2. This guidance sets out the detailed criteria which central Government will use to determine funding relief for retail properties. The Guidance does not replace existing legislation on retail properties or any other relief.

3. Enquiries on this measure should be addressed to: ndr@communities.gsi.gov.uk

Introduction

4. The retail sector is changing, particularly due to internet shopping, and many high streets are experiencing challenges as they look to adapt to changing consumer preferences in how people shop. The Government wishes to support town centres in their response by providing particular support to retailers.

5. The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.

6. This document provides guidance to authorities about the operation and delivery of the policy. Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2014-15 in their bills for the beginning of that year.

Section 1:

Retail Relief

How will the relief be provided?

7. As this is a measure for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects local government to grant relief to qualifying ratepayers.

8. Central government will reimburse billing authorities and those major precepting authorities within the rates retention system for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in this guidance. Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in their National Non Domestic Rate Return 1 (NNDR1) for 2014-15 and 2015-16. Central government will provide payments of the local authorities' share to authorities over the course of the relevant years.

Which properties will benefit from relief?

9. Properties that will benefit from the relief will be occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

10. We consider shops, restaurants, cafes and drinking establishments to mean:

    i. **Hereditaments that are being used for the sale of goods to visiting members of the public:**

        – Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc)
        – Charity shops
        – Opticians
        – Post offices
        – Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
        – Car/ caravan show rooms
        – Second hard car lots

- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

11. To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

12. The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it is intended to be a guide for authorities as to the types of uses that government considers for this purpose to be retail. Authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

13. As the grant of the relief is discretionary, authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would

go against the authority's wider objectives for the local area. We would encourage councillors to be consulted on the final scheme that the local authority adopts, so there is a clear line of accountability in case of a dispute on the final local scheme that is adopted.

14. The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

ii. Hereditaments that are not reasonably accessible to visiting members of the public

How much relief will be available?

15. The total amount of government-funded relief available for each property for each of the years under this scheme is £1,000. The amount does not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000. Of course, councils may use their discretionary powers to offer further discounts outside this scheme (and under local rate retention, 50 per cent of the cost would be locally funded and 50 per cent funded by central government).

16. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = £1000 \times \frac{A}{B}$$

Where:
A is the number of days in the financial year that the hereditament is eligible for relief; and

B is the number of days in the financial year

17. The relief will be applied against the net bill after all other reliefs.

18. Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

19. Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid de minimis limits.

State Aid

20. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)[1].

21. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years). Local authorities should familiarise themselves with the terms of this State Aid exemption, in particular the types of undertaking that are excluded from receiving De Minimis aid (Article 1), the relevant definition of undertaking (Article 2(2)[2]) and the requirement to convert the aid into Euros[3].

22. To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid. Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation). Section 3 of this guidance contains a sample De Minimis declaration which local authorities may wish to use. Where local authorities have further questions about De Minimis or other aspects of State Aid law, they should seek advice from their legal department in the first instance[4].

Splits, mergers, and changes to existing hereditaments

23. The relief should be applied on a day to day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

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[1] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF
[2] The 'New SME Definition user guide and model declaration' provides further guidance: http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf
[3] http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm
[4] Detailed State Aid guidance can also be found at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf

How will the relief work in Enterprise Zones?

24. Where a property is eligible for Enterprise Zone relief, that relief should be granted and this will be funded under the rates retention scheme by a deduction from the central share. If a property in an Enterprise Zone is not eligible for Enterprise Zone relief, or that relief has ended, Retail Relief may be granted in the normal way, and this would be reimbursed by grant under section 31 of the Local Government Act 2003. Local authorities should not claim funding for retail relief on properties which would otherwise qualify for Enterprise Zone government funded relief.

Section 2 – Calculation examples for 2014-15

Example 1 – An occupied shoe shop with a rateable value of £40,000

Rateable Value = £40,000

Rates due (excluding any reliefs)	= £40,000 x 0.482	= £19,280
Minus 12 months retail relief	= £19,280 - £1,000	= £18,280
Rates due (including retail relief)		= **£18,280**

Example 2 – A shoe shop with a rateable value of £40,000 that is unoccupied between 1 April 2014 and 30 September 2014 and is then occupied until 31 March 2015.

Rateable Value = £40,000

Rates due (excluding any reliefs)	= £40,000 x 0.482	=	£19,280
Minus 3 months (no empty rates payable)	= £40,000 x 0.482 x $\frac{91}{365}$	=	£4,806.79
Minus 6 months retail relief (01/10/14-31/03/15)	= £1,000 x $\frac{182}{365}$	=	£498.63
Total due for year		=	**£13,974.58**

Example 3 – An occupied shoe shop with a rateable value of £10,000 that is in receipt of small business rate relief of £1,554 per year.

Rateable Value = £10,000

Rates due (excluding any reliefs)	= £10,000 x 0.471	=	£4,710
Minus small business rate relief of 33%	= £4,710 - £1,554	=	£3,156
Minus 12 months retail relief	= £3,156 - £1,000	=	£2,156
Rates due (including all reliefs)		=	**£2,156**

Example 4 – An occupied charity shop with a rateable value of £10,000 that is in receipt of mandatory charitable rate relief

Rateable Value = £10,000

Rates due (excluding any reliefs)	= £10,000 x 0.471	=	£4,710
Minus charitable rate relief of 80%	= £4,710 - £3,768	=	£942
Minus 12 months retail relief	= £942 - £942 (max relief allowable)	=	£0

Rates due (including all reliefs)	=	**£0**

Example 5 – A shoe shop with a rateable value of £30,000 that has occupied premises previously used as a jewellers shop that was empty for more than 12 months immediately prior to occupation.

Rateable Value = £30,000

Rates due (excluding any reliefs) = £30,000 x 0.482	=	£14,460
Minus reoccupation relief of 50% = £14,460 - £7,230	=	£7,230
Minus 12 months retail relief = £7,230 - £1,000	=	£6,230
Rates due (including all reliefs)	=	**£6,230**

Section 3 – State Aid

Sample paragraphs that could be included in letters to ratepayers for 2014-15 about Retail Relief

The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16. Your current rates bill includes this Retail Relief for 2014-15.

Awards such as Retail Relief are required to comply with the EU law on State Aid[5]. In this case, this involves returning the attached declaration to this authority if you have received any other De Minimis State Aid, including any other Retail Relief you are being granted for premises other than the one to which this bill and letter relates, and confirming that the award of Retail Relief does not exceed the €200,000 an undertaking[6] can receive under the De Minimis Regulations EC 1407/2013.

Please complete the declaration and return it to the address above. In terms of declaring previous De Minimis aid, we are only interested in public support which is De Minimis aid (State Aid received under other exemptions or public support which is not State Aid does not need to be declared).

If you have not received any other De Minimis State Aid, including any other Retail Relief you are being granted for premises other than the one to which this bill and letter relates, you do not need to complete or return the declaration.

If you wish to refuse to receive the Retail Relief granted in relation to the premises to which this bill and letter relates, please complete the attached form and return it to the address above. You do not need to complete the declaration. This may be particularly relevant to those premises that are part of a large retail chain, where the cumulative total of Retail Relief received could exceed €200,000.

Under the European Commission rules, you must retain this letter for 3 years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter longer than 3 years for other purposes). Furthermore, information on this aid must be supplied to any other public authority or agency asking for information on 'De Minimis' aid for the next three years.

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[5].Further information on State Aid law can be found at https://www.gov.uk/state-aid

[6] An undertaking is an entity which is engaged in economic activity. This means that it puts goods or services on a given market. The important thing is what the entity does, not its status. Thus a charity or not for profit company can be undertakings if they are involved in economic activities. A single undertaking will normally encompass the business group rather than a single company within a group. Article 2.2 of the de minimis Regulations (Commission Regulation EC/ 1407/2013) defines the meaning of 'single undertaking'.

‘DE MINIMIS’ DECLARATION

Dear [ ]

BUSINESS RATES ACCOUNT NUMBER:____________________________

The value of the business rates retail relief to be provided to [name of undertaking] by [name of local authority] is £ [ ] (Euros [ ]).

This award shall comply with the EU law on State Aid on the basis that, including this award, [name of undertaking] shall not receive more than €200,000 in total of De Minimis aid within the current financial year or the previous two financial years). The De Minimis Regulations 1407/2013(as published in the Official Journal of the European Union L352 24.12.2013) can be downloaded at http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF.

Please list all previously received De Minimis aid below, including the total amount of this and any other Retail Relief you are being granted.

Amount of De Minimis aid	Date of aid	Organisation providing aid	Nature of aid
€	1 April 2014 – 31 March 2015	Local authorities (for the Retail Relief total you do not need to specify the names of individual authorities)	Retail Relief

I confirm that:

1) I am authorised to sign on behalf of __________________[name of undertaking]; and
2) ___________________[name of undertaking] shall not exceed its De Minimis threshold by accepting this Retail Relief.

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

REFUSAL OF RETAIL RELIEF FORM

Name and address of premises	Business rates account number	Amount of Retail Relief

I confirm that I wish to refuse Retail Relief in relation to the above premises.

I confirm that I am authorised to sign on behalf of _______________ [name of undertaking].

SIGNATURE:

NAME:

POSITION:

BUSINESS:

ADDRESS:

DATE:

WARWICK DISTRICT COUNCIL	Executive Report 12 March 2014	Agenda Item No. **9C**

Title	Historic Building Grants Allocations
For further information about this report please contact	Alan Mayes (Principal Architect/Planner)
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	March Executive 2013
Background Papers	Grants Working Party Background Paper

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

Officer/Councillor Approval

Officer Approval	**Date**	**Name**
Chief Executive/Deputy Chief Executive	18.2.14	Bill Hunt
Head of Service	18.2.14	Tracy Darke
CMT	18.2.14	
Section 151 Officer	18.2.14	Mike Snow
Monitoring Officer		
Finance	6.2.14	Jenny Clayton
Portfolio Holder(s)	18.2.14	Councillor John Hammon

Consultation & Community Engagement

Meeting of Grants Working Party made up of Councillors Higgins, Blacklock, Dean and Falp, together with Alan Mayes and Roger Cullimore held on the 29 January 2014.

Final Decision?	Yes

Suggested next steps (if not final decision please set out below)

1. **SUMMARY**

1.1 To report to the Executive the enhancement made to the District by the Historic Buildings Grants for 2014/15

1.2 To gain approval for the proposed allocation of the 2014/15 budget as shown in Appendix A and paragraph 3 below.

2. **RECOMMENDATION**

2.1 That the Executive approves the proposed allocations for the Historic Building Grants for 2014/15 as set out in Appendix A .

2.2 That the Executive approves the slippage of unspent funds at year end to the grant allocation for 2014/15 as set out in Appendix A

3. **REASONS FOR THE RECOMMENDATION**

3.1 The overall allocation for grants for 2014/15 have been agreed as £50,000 which is a reduction from £80,000 in 2013/14 . To take account of this reduction and the previous allocations a pro rata allocations have been made for the following schemes

3.2 **Leamington Spa Grants** - An allocation of £40,000 (plus slippage of £31,717 for previous commitments) was made to this scheme last year and to-date 38 offers have been made (including those carried forward) and all funds have been allocated . The slippage indicated in Appendix A has all been allocated as grant offers during 2013/14.

3.2.1 This Scheme is available to all buildings Listed and Unlisted in the Leamington Spa Conservation Area, grants are normally offered at a level of 25% of the cost to a maximum of £3,000 per property. It is recommended that the figure of £20,000 be allocated for the coming year(a reduction of 50% from the previous year) .

3.3 **Warwick Town Grants** – A total allocation of £20,000 was made last year for the Warwick Grant Scheme which included £10,000 slippage. To-date 9 offers have been committed from this Scheme and funds are now fully allocated.

3.3.1 This Scheme is available to all Listed and Unlisted Buildings in the Warwick Conservation Area and is allocated on the basis of 25% of the cost to a maximum of £3,000. For the past three years the annual expenditure has been £18,000/£20,000. It is therefore recommended that the allocation for 2014/15 should be £15,000(a reduction of 25% from the previous year).

3.4 **Historic Buildings Grant Scheme** – A total allocation of £22,000 was made for last year which included £2,000 slippage. To-date 15 offers have been committed and funds are fully allocated.

3.4.1 This Scheme is available to all Listed and Unlisted Buildings in Kenilworth, Whitnash and Rural Conservation Areas together with individual Listed Buildings that are not eligible for grant aid from the Leamington or Warwick grant schemes . Grant aid is allocated on the basis of 25% of the cost of the works to a maximum of £3000. As the expenditure for the past two years has been

£16,000/£18,000 it is recommended that an allocation of £15,000 should be made available for 2014/15 (a reduction of 25 % from the previous year)

3.5 **Other Grant Schemes:**

3.5.1 **Shop Fronts Grant Scheme** -£800 was carried forward from 2013/14. This was allocated in conjunction with a Leamington Spa Grant. It was agreed last year that this scheme would be discontinued once existing funds were allocated.

3.5.2 **Kenilworth Abbey Grant Scheme** - £20,608 was carried forward last year. Works have now commenced on the Abbey Gatehouse and funds have been transferred to Warwick District Council Property Section to fund this work which is monitored by the conservation team.

3.5.3 **Conservation Facilitation Funds** –£5,000 was carried forward last year of which £1,813 has been paid out to fund Heritage Open Days 2013which resulted in a very successful weekend in September with 53 venues taking part. It is proposed the remainder of this fund be carried forward and used to fund Heritage Open Days 2014.

3.5.4 **Environmental Grant Scheme** – This Scheme was created using £10,000 unallocated funds from the Historic Buildings slipped in 2013/14 to form a new grant scheme which would be available for both Urban and Rural Enhancement projects that are within the public realm or accessible to the public .

3.5.5 This Scheme has been used to fund new lampposts in the rural Conservation Area, a Heritage signpost in Norton Lindsey, clock face restoration at St. Paul's Church, Leamington and works at Bagots Castle. To date there is £3,500 unallocated which it is proposed to slip forward for use in 2014/15.

4. POLICY FRAMEWORK

4.1 **Policy Framework** – the maintenance of the Historic Environment is highlighted in the Warwick District Council's Local Plan and also forms part of the National Planning Policy's framework objectives to maintain assets in the Historic Environment. The grants have and will continue to contribute to the strategic aims of the Sustainable Community Strategy to protect and enhance the built and natural environment .

5. BUDGETARY FRAMEWORK

5.1 The capital programme approved as part of the 2014/15 Budget Setting Report (February2014) included Historic Building grant of £50,000 per annum for each of 2014/15 to 2016/17. The proposed allocations are therefore within the current budgetary framework.

6. ALTERNATIVE OPTION(S) CONSIDERED

6.1 An alternative option would be to reduce the grant schemes or to abolish the grant scheme. To not have a Grant Scheme at all would significantly affect the Council's ability to assist in maintaining the Historic Environment for both residents of the District and visitors to the District.

7. BACKGROUND

7.1 The District Council has for many years supported Historic Buildings Grants to help property owners to maintain/restore historic assets which are a very important part of the environment of Warwick district. It is in this time of financial constraints that the maintenance of this type of grant is crucial to many owners of historic properties and recognises the contribution made by the historic environment to the economic and social wellbeing of the district.

7.2 The contribution of grant aid helps to stimulate high quality restoration which also contributes towards the economy of the area by encouraging traditional skills tourism. It helps to maintain our impressive stock of historic assets for the enjoyment of residents and visitors to Warwick district.

7.3 Grants are offered in accordance with the Planning (Listed Building in Conservation Areas) Act 1990 which makes provision for Local Authorities to make Historic Buildings Grants. They are available for all Listed and Unlisted Buildings in the Conservation Areas which make a significant contribution to the Conservation Area. Grants are offered normally at a level of 25% of the cost of works to an absolute maximum of £3,000 per property (£2,000 per property being the general ceiling figure). For the current year a total of £123,000 was allocated and has been paid or is awaiting payment – as this represents 25% of the cost of each piece of work this has enabled approximately £492,000 of works to precede. As certain grants do not cover a full 25% the actual level of enabled work is higher.

7.4 A Grants Working Party comprising of four Elected Members together with Conservation Officers met on29th January 2014 to review the allocation of grants over the past year and to discuss and recommend the allocations for the coming financial year. Members of the Grants Working Party expressed their support for the maintenance of the Grants Schemes and the contribution it makes towards cultural tourism to the area and for the residents of Warwick district.

7.5 The contribution made to the Conservation Area, the Historic Environment as a whole and to individual Listed Buildings is monitored by the Council's Officers when offering grants and making inspections of grant works, to ensure that funds are being used beneficially for the individual property and for the wider Conservation Area as a whole.

7.6 The principal of grant aid is to meet the additional cost of materials required for historic building work . In line with national guidance the grants are not means tested but offered for the purpose of maintaining the building and enabling work that would otherwise not proceed. Without the facility to offer grant aid it is most likely that buildings would remain in a state of disrepair or inferior works would be carried out to our important stock of historic buildings. There would also be no incentive to encourage historic building owners to replace unsympathetic works which were carried out in the past.

7.7 The availability of grant aid is publicised on the Council s website and through other appropriate channels .

Appendix A

Historic Building Grants 2014/15
Allocations including slippage and codes

This table is based on a 2014/15 budget book allocation of £50,000.00 for Historic Building Grants from capital funding.

Table 1

2013/14 Allocation	Grant	2014/2015 Allocation	Slippage
£40,000	Royal Leamington Spa Town Grants	£20,000	£10,000 slippage for grants allocated in2013/14
£20,000	Warwick Town Grants	£15,000	
£20,000	Historic Buildings Grants	£15,000	£2000
£5,000 (slippage)	Conservation Facilitation Fund (to be transferred to Revenue)		£3,000 (Ring-fenced for Heritage Open Days)
£10,000 (slippage)	Environmental Enhancement		£3,000
£20,608 (slippage)	Kenilworth Abbey Fund	Existing funds transferred to works currently underway .	
	Totals	**£50,000**	£ 18,000

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