



**AGENDA
for
MEETING OF
THE COUNCIL**

to be held on

Wednesday, 19th February, 2025

Enquiries to: Member Services
Member Services Direct Dial: 024 7637 6204
Direct Email: member.services@nuneatonandbedworth.gov.uk

For Public Questions:
member.services@nuneatonandbedworth.gov.uk
Copy to: tom.shardlow@nuneatonandbedworth.gov.uk

For Member Questions:
tom.shardlow@nuneatonandbedworth.gov.uk
chris.watkins@nuneatonandbedworth.gov.uk
Copy to: member.services@nuneatonandbedworth.gov.uk

Date: 11th February 2025

Our Ref: KB

To: All Members of the Borough Council

A MEETING OF THE COUNCIL will be held on **Wednesday, 19th February, 2025** commencing at **6pm** in the Council Chamber

All members of the Council are summoned to attend to determine the business as set out below.

AGENDA

1. **EVACUATION PROCEDURE**

A fire drill is not expected, so if the alarm sounds, please evacuate the building quickly and calmly. Please use the stairs and do not use the lifts. Once out of the building, please gather outside the Lloyds Bank on the opposite side of the road.

Please exit by the door by which you entered the room or by the fire exits which are clearly indicated by the standard green fire exit signs.

If you need any assistance in evacuating the building, please make yourself known to a member of staff.

Please make sure all your mobile phones are turned off or set to silent.

2. **APOLOGIES** - to receive apologies for absence from the meeting.

3. **MINUTES** - to confirm the minutes of the meeting held on 11th December, 2024 (**Page 7**)

4. DECLARATIONS OF INTEREST - To receive declarations of disclosable pecuniary interests and other interests in matters under consideration pursuant to Council procedure Rule 4A.2(iii).

Declaring interests at meetings

If there is any item of business to be discussed at the meeting in which you have a disclosable pecuniary interest or non-pecuniary interest (Other Interests), you must declare the interest appropriately at the start of the meeting or as soon as you become aware that you have an interest.

Arrangements have been made for interests that are declared regularly by members to be appended to the agenda (**Page 29**). Any interest noted in the Schedule at the back of the agenda papers will be deemed to have been declared and will be minuted as such by the Committee Services Officer. As a general rule, there will, therefore, be no need for those Members to declare those interests as set out in the schedule.

There are, however, TWO EXCEPTIONS to the general rule:

1. When the interest amounts to a Disclosable Pecuniary Interest that is engaged in connection with any item on the agenda and the member feels that the interest is such that they must leave the room. Prior to leaving the room, the member must inform the meeting that they are doing so, to ensure that it is recorded in the minutes.

2. Where a dispensation has been granted to vote and/or speak on an item where there is a Disclosable Pecuniary Interest, but it is not referred to in the Schedule (where for example, the dispensation was granted by the Monitoring Officer immediately prior to the meeting). The existence and nature of the dispensation needs to be recorded in the minutes and will, therefore, have to be disclosed at an appropriate time to the meeting.

Note: Following the adoption of the new Code of Conduct, Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the relevant item (or as soon as the interest becomes apparent). If that interest is a Disclosable Pecuniary or a Deemed Disclosable Pecuniary Interest, the Member must withdraw from the room.

Where a Member has a Disclosable Pecuniary Interest but has received a dispensation from Audit and Standards Committee, that Member may vote and/or speak on the matter (as the case may be) and must disclose the existence of the dispensation and any restrictions placed on it at the time the interest is declared.

Where a Member has a Deemed Disclosable Interest as defined in the Code of Conduct, the Member may address the meeting as a member of the public as set out in the Code.

Note: Council Procedure Rules require Members with Disclosable Pecuniary Interests to withdraw from the meeting unless a dispensation

allows them to remain to vote and/or speak on the business giving rise to the interest.

Where a Member has a Deemed Disclosable Interest, the Council's Code of Conduct permits public speaking on the item, after which the Member is required by Council Procedure Rules to withdraw from the meeting.

5. ANNOUNCEMENTS - to receive announcements from the Mayor, Leader, Members of the Cabinet or the Chief Executive.
6. PUBLIC PARTICIPATION - (maximum 20 minutes).
to hear and answer questions by any resident of the Borough concerning the work of the Council where notice has been given (maximum 20 minutes). A copy of the Procedure Rule 9 is attached (**Page 36**) and this is not subject to debate. A question or statement can be submitted using the link below which will send your submission to the Chief Executive and Member Services: [Ask a question at meetings of Full Council | Public participation at meetings | Nuneaton and Bedworth Borough Council](#)
7. QUESTIONS BY MEMBERS - (Council Procedure Rule 10). A copy of Procedure Rule 10 is attached. (**Page 38**) and this is not subject to debate.
8. SPECIAL URGENCY DECISIONS - (Access to Information Procedure Rule 4B.16) - None
9. CABINET – report by Leader of the Council (**Page 40**)
Members may ask questions on the report and receive answers from the Leader or other Cabinet members, and this is not subject to debate.
10. ELECTION OF MAYOR AND DEPUTY MAYOR – to give consideration to the selection of Mayor and Deputy Mayor for 2025/26.
11. a) COMPOSITION OF COMMITTEES AND OVERVIEW AND SCRUTINY PANELS (2024/2025) – MID YEAR CHANGE – a report of the Assistant Director – Democracy and Governance (**Page 44**)

b) MEMBERSHIP OF COMMITTEES AND OVERVIEW AND SCRUTINY PANELS (2024/2025) – MID YEAR CHANGE – a report of the Assistant Director – Democracy and Governance attached (**Page 46**)
12. NOTICE OF MOTION – LOCAL GOVERNMENT DEVOLUTION
A Notice of Motion was received from Councillors S. Hey, T. Jenkins and C. Watkins to the Head of Paid Service for the consideration of Council. A copy of the notice of motion is attached (**Page 49**)
13. RECOMMENDATIONS FROM CABINET OR OTHER COMMITTEE

Audit and Standards Committee – 4th February 2025
a) Treasury Management 2024/25 – Quarter 3 Review
At its meeting held on 4th February 2025 a report (**copy attached Page 50**) by the Finance Manager – Treasury and Assistant Director - Finance was considered and the following recommendation put forward for Council approval:

It be recommended to Council that the Treasury Management Report for 2024/25 – Quarter 3 be noted.

Audit and Standards Committee – 4th February 2025

- b) **REVIEW OF TREASURY MANAGEMENT PRACTICES (TMPS) 2025/26**
At its meeting held on 4th February 2025 a report (**copy attached Page 57**) by the Finance Manager – Treasury and Assistant Director – Finance was considered, and the following recommendation put forward for Council approval:

It be recommended to council that the updated TMPs be approved.

Audit and Standards Committee – 4th February 2025

- c) **TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26**
At its meeting held on 4th February 2025 a report (**copy attached Page 87**) by the Finance Manager – Treasury and Assistant Director - Finance was considered, and the following recommendations put forward for Council approval:

It be recommended to council that the Treasury Management Strategy Statement be approved, including all Prudential indicators, the MRP policy and Annual Investment Strategy.

Audit and Standards Committee – 4th February 2025

- d) **CONTRACT PROCEDURE RULES**
At its meeting held on 4th February 2025 a report (**copy attached Page 130**) by the Assistant Director – Democracy and Governance was considered, and the following recommendations put forward for Council approval:

It be recommended to council that the changes to the Contract Procedure Rules be approved and the Constitution be amended accordingly.

Cabinet – 19th February 2025

- e) **LOCAL DEVELOPMENT SCHEME**
The Council will be asked to consider recommendations agreed at Cabinet to be held prior to full council on Wednesday, 19th February on the Local Development Scheme Update. **Report attached (Page 175)**

Cabinet – 19th February 2025

- f) **GENERAL FUND REVENUE BUDGET 2025/26**
The Council will be asked to consider recommendations agreed at Cabinet to be held prior to full council on Wednesday, 19th February on the General Fund Revenue Budget 2025/26. **Report attached (Page 198)**

Cabinet – 19th February 2025

- g) **HOUSING REVENUE ACCOUNT BUDGET 2025/26 INCLUDING 30 YEAR BUSINESS PLAN**
The Council will be asked to consider recommendations agreed at Cabinet to be held prior to full council on Wednesday, 19th February on

the Housing Revenue Account Budget 2025/26. **(To Follow)**

Cabinet – 19th February 2025

h) CAPITAL BUDGET 2025/26

The Council will be asked to consider recommendations agreed at Cabinet to be held prior to full council on Wednesday, 19th February on the Capital Budget 2025/26. **Report attached (Page 246)**

i) COUNCIL TAX 2025/26 – following consideration of the above items the Council is required to determine the Council Tax for 2025/26. **Resolution attached (To Follow)**

Section 106 of the Local Government Finance Act 1992 places a duty to declare an interest on any councillor who is two or more months in arrears with their Council Tax payments if they attend any meeting involved in setting the Council tax rate for the local authority. They must abstain from any vote involved in the setting of the Council tax rate until they are no longer in arrears.

NOTE: Points of Order and Personal Explanation can only be raised in accordance with Council Procedure Rules which are set out below:-

Point of order

A Member may raise a point of order at any time. The Mayor will hear them at the end of the speech of the Member speaking at the time the point is raised. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The Member must indicate the rule of law and the way in which he/she considers it has been broken. The Mayor shall consider the Point of Order and, if necessary, take advice on the matter from the Monitoring Officer and, shall then rule on the Point of Order raised. There shall be no discussion or challenge to the advice given or the Mayor's decision in the meeting. If a Member persistently seeks to raise a Point of Order but is unable to identify the procedure rule or legal principle infringed then, after having been warned by the Mayor, any further abuse of this procedure rule shall not be tolerated and the Mayor shall move that the Member not be heard further pursuant to Procedure Rule 4.19.13. The ruling of the Mayor on the matter will be final.

Personal explanation

A Member may make a point of personal explanation at any time. The Mayor will hear them at the end of the speech of the Member speaking at the time the point is raised. A personal explanation may only relate to some material part of an earlier speech by the Member which may appear to have been misunderstood in the present debate. The ruling of the Mayor on the admissibility of a personal explanation will be final.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

COUNCIL

11th December, 2024

A Council meeting of the Nuneaton and Bedworth Borough Council was held on Wednesday, 11th December 2024.

Present

The Mayor (Councillor W. Hancox)
The Deputy Mayor (Councillor B. Saru)

Councillors E. Amaechi, M. Bird, J. Bonner, J. Clarke, J. Collett, T. Cooper, S. Croft, S. Dhillon, J. Gutteridge, J. Hartshorn, S. Hey, P. Hickling, B. Hughes, T. Jenkins, A. Khangura, N. King, M. Kondakor, S. Markham, W. Markham, B. Pandher, C. Phillips, K. Price, R. Roze, J. Sheppard, T. Sheppard, C. Smith, R. Smith, T. Venson, M. Walsh, C. Watkins K. Wilson and M. Wright.

Apologies were received for Councillors D. Brown, A. Bull, L. Cvetkovic and M. Etienne

CL36 **Minutes**

RESOLVED that the minutes of the Ordinary Council meeting held on 18th September 2024 and the Extraordinary Council meeting held on 4th October 2024 were confirmed and signed by the Mayor.

CL37 **Declarations of Interests**

RESOLVED that the Declarations of Interests for this meeting are as set out in the schedule attached to these minutes. In addition the following was declared:

Councillor J. Clark declared he was no longer in the employment of Marcus Jones MP and that he was no longer Deputy Chairman but was appointed Treasurer for Nuneaton Conservative Association.

CL38 **Announcements**

The Mayor made the following announcements:

- A one minute silence was held for the late former Mayor and Councillor Don Jacques BME.

- The Mayor and Mayoress extended their Season Greetings to all councillors.
- A special Christmas greeting for Waheeda Sheikh – Solicitor to the Council and Monitoring Officer who will be leaving the authority in the new year. Thanks were expressed to her loyal service over 16 years at Nuneaton and Bedworth Borough Council and wish her all the best for the future.

The Leader announced that per tradition money would be donated to the Mayor's Appeal for wearing Christmas Jumpers.

CL39 **Public Participation**

Question 1 – Mr Keith Kondakor asked the following question to the Portfolio Holder for Planning and Enforcement:

Local NHS primary care management (under a range of structures such as Arden cluster, Primary Care Trust, Clinical Commissioning Group and now Integrated Care Board) over the last 12 years has been allocated land and funding from developments to provide residents in Nuneaton and Bedworth with medical centres and extra GPs to cope with the increased population due to those developments. The Churchfields development, for example, allocated a plot of land that would be worth around £1 million today and the development of Top Farm is supposed to provide £1.8million primary care contributions.

The Weddington Medical centre was scrapped by the ICB without consultation. It is not the first to not happen. These failures add to the pressures on every GP within the Borough. The public often have very little impact on planning matters, but when they do get GP provision via the planning system it is not delivered by the Coventry and Warwickshire ICB. This council needs to ensure that funding and land for primary care provision agreed via our planning system is provided as what happened in Weddington is likely to be repeated for developments in Whitestone, Arbury, Bulkington, Keresley, Bedworth Woodlands etc. We need to be telling ICB and developers that plans for GP provision need protecting. Can we somehow fix this?

Councillor R. Roze, Portfolio Holder for Planning and Enforcement responded as follows

So, in terms of Planning, the needs assessment is done by our Health Partners that is how things work. In this case it is the Integrated Care Board, which provides an input in the planning process.

We have actually questioned in respect to your dimension site and I have actually got here a letter back from Integrated Care Board responding regarding land at Church Lane and Weddington Road. Their response is 'ICB have

considered two options a new build and actually improving on existing estates.

So here Integrated Care Board has stated that what they actually will do at the Saint Nicholas Clinic, for example, will be improved and expanded as an option and in their opinion that is a way forward.

So, you know, obviously there's always sway of us talking to the Integrated Care Board, but in terms of planning regulations and those perspectives, we rely on the needs assessment done by those organisations.

Mr Keith Kondakor asked a supplementary question as follows:

We have fundamentally got enough money to build a new surgery, we have lots and lots of new housing probably 6000 in Weddington, St Nicolas. Can we get this decision changed and can the council put pressure on the Integrated Care Board through the planning system not to give them money that they do not actually spend on doing what they ask for

Councillor R. Roze responded as follows:

So just coming back to the Integrated Care board, as you probably know, part of Integrated Care Board is actually adult and social care representation from the County Council.

So that's one way of how the governance is expressed there.

And in terms of needs assessment, as I said before, it comes from Integrated Care Board who actually says this is where we want the contributions, this is where it's going to be made.

And we rely on Integrated Care Board to basically say that we can run the service, and this is the infrastructure which needs to be done for the population growth, which is predicted.

And obviously, you know, in any other conversations we can apply any informal lobbyism for, you know, wherever we integrate in.

Councillor M. Kondakor moved the public question and answer to be submitted to the relevant Overview and Scrutiny Panel for further discussion.

Councillor M. Wright seconded the motion

A vote was taken.

RESOLVED that Mr Kondakor's Question and the reply given be submitted to the relevant Overview and Scrutiny Panel for further discussion.

CL40 **Questions by Members**

Question 1 – Councillor Michele Kondakor submitted the following question to the Portfolio Holder for Leisure, Communities and Health:

Councillors get a lot of enquiries from residents about waste bins on highways and open spaces.

Currently the highways bins are emptied by the waste team and those in parks and on open spaces by Glendale. This is an inefficient system and is also impacted by staff turnover at Glendale. We get stupid situations such as on Higham Lane, where the bin outside the shop is emptied by one team and the one literally across the road at the beginning of Coronation Walk is emptied by Glendale. Both bins are well used and needed but it would make sense for them to be emptied at the same time.

Are the Council reviewing this? Will the Council consider taking the bin emptying in house when the opportunity arises?

Councillor T. Jenkins, Portfolio Holder for Leisure, Communities and Health, responded as follows:

Yes, NBBC does currently have contracts in place with different partners as you suggest to manage the collection of waste from highways and open spaces.

And I do agree that this does seem like an inefficient system.

So, in answer to your question, yes, this will definitely be reviewed and considered as part of any future contracts and contract negotiations going forward and just seem to have a more, it does seem to be a more sensible plan to have it all done by the same team.

So yes, thank you.

Question 2 – Councillor Martin Walsh asked the following question to the Leader of the Council:

At the full Council meeting on 10th July, I asked you about the £20m that was allocated to Bedworth in the last Conservative budget. Your response was to say that you had already written to all 3 of the local MPs with regards to this matter.

At the extra ordinary full Council meeting on 4th October, Cllr Brown put forward a motion asking you, the Leader of the Council, to write to the Secretary of State for Housing, Communities and Local Government together with the new Member of Parliament for Bedworth and North Warwickshire, Rachel Taylor, to honour the £20m funding for Bedworth.

May I ask what the replies received stated, as on Sunday 27th October, on the local BBC Politics show, Bedworth's Labour MP, Rachel Taylor, denied the existence of the allocated money. Whereas on Wednesday 30th October, the Chancellor, Rachel Reeves, re-confirmed the funding.

Does the Leader believe that Bedworth's MP, Rachel Taylor was lying, economical with the truth or totally misinformed? The people of Bedworth have the right to know, so can the Leader of the Council provide an update to this Chamber and the residents of the Borough?

Councillor C. Watkins, Leader of the Council, responded as follows:

Thank you, Councillor Walsh for your question.

I've had several meetings with the MP Rachel Taylor, and I definitely don't think she was lying, and I don't think she would lie about anything, especially to me.

But I know that Rachel Taylor, the MP for North Warwickshire and Bedworth, fought very hard for this, for this money.

The initial announcement to the long-term plan for the town's funding was from an unfunded budget.

Rachel Taylor MP has been in contact with the MHCLG Minister and the Chancellor to impress on them the importance of the funding for Bedworth.

I am aware that she had two meetings with the MHCLG to discuss this together with a private meeting with Rachel Rees, a further meeting with Darren Jones and also raised the issue at a meeting at No10 when she appeared on Midlands Politics.

The Chancellor had not announced the funding so I know that Rachel Taylor MP was as pleased as I was when the Budget committed the money over 10 years.

I am looking forward to working with our MP and the new Town Board to deliver this for the people of Bedworth.

I am happy to share the MPs letter with Councillors I gave the reply to Democratic Services so we can have it scanned in, and I will forward it to all members.

Thank you.

Question 3 – Councillor Michael Bird submitted the following question to the Leader of the Council and Portfolio Holder for Business and Regeneration:

Following the formation of Nuneaton Business Improvement District. How do the Council and Nuneaton BID, plan to form a collaborative working partnership to effectively promote the Town as a destination, drive footfall, and support local businesses and events, ultimately increasing economic vitality within the Town Centre / BID area?

Councillor N. King, Portfolio Holder for Business and Regeneration, responded as follows:

The NBBC will have Board representation to support the BID delivery.

The BID, as part of the process outlined their objectives for the next 5 years as part of their business plan provided to all members within the area of benefit, including projects to drive footfall and support local businesses and events and will be required to deliver their business plan.

Question 4 - Councillor Sue Markham asked the following question to the Portfolio Holder for Leisure, Communities and Health:

It is my understanding that in recent months our grounds maintenance team has been clearing area's that were historically not maintained by NBBC, however, several hedges that were previously cut or trimmed are no longer being tended to. Residents have been informed that these hedges are not on the work programme or covered by the current contract and will not be trimmed by NBBC.

Can you confirm if the information is accurate. Specifically, since May, has the authority, made the decision to cease some hedge trimming within the borough? if so, has the contract been amended to reflect this change? If not, when can we expect the hedges to be trimmed?

Councillor T. Jenkins, Portfolio Holder for Leisure, Communities and Health, responded as follows:

So yes, it's difficult to confirm if your statement is accurate because there was quite a bit of information there and there weren't any specific details in there.

So in general, the grounds maintenance team are not clear in areas that are not on the contract.

However, I understand there was a specific case relating to a site where NBBC we're looking to remove an unauthorised development by residents on a certain area of Highway verge.

So yes, as I understand it was agreed that that particular area would be added on to the current contract.

Regarding hedges as I'm sure you're aware, unless there are urgent safety concerns, NBBC owned hedges are maintained once a year and work can only begin in September because of bird nesting season as required by the Wildlife and Countryside Act.

So priority is given to hedges where there's safety issues or visibility issues. So hedges further back from roads and footpaths may have maintenance at a later stage.

So I'm not aware of any NBBC hedges that have been removed from the contract, but if you'd like to write to me with specific details, I'd be more than happy to look into it and when they're likely to be attended if they haven't been so already.

Question 5 – Councillor Mike Wright asked the following question to the Portfolio Holder for Leisure, Communities and Health:

Given that investment in active travel has repeatedly been shown to pay for itself many times over in terms of health and other benefits, could the responsible cabinet member clarify what measures are being taken to enable and encourage

further uptake of active travel options, and assure the council that such measures will not in future be seen as a soft target when it comes to cutting expenditure?

Councillor T. Jenkins, Portfolio Holder for Leisure, Communities and Health responded as follows:

Thank you for your question, Councillor Wright.

Personally, I'm really keen to push forward with active travel routes across our borough.

I found it really disappointing that while areas in the South of the county seem to have had significant funding spent and active travel routes delivered, in our borough we seem to have had very little.

What is especially frustrating is that there is apparently funding sitting there for delivering active travel routes in our borough and while officers at borough and county level and myself are keen to take this further, there appears to have been reluctance in the past, passed by some elected Conservative members at county to proceed with this and even pausing the long shoot development.

On a more positive note, myself and NBBC officers are currently liaising with officers at Warwickshire County Council and we'll be meeting with county officers in the very near future, hopefully before Christmas, possibly just after, to discuss projects being planned, funds available for delivery and future time scales.

On a more local level and as reported at Cabinet on 6th of December and recommended to full council tonight.

Under agenda item 12b) is the Delivery of Capital programme which includes active travel works for the financial year 2526 and this is to seek approval of active travel networks funded through s106 monies.

And we'll deliver Sandon and Weddington cycle way and the Coronation Walk footpath and cycle way.

Given the health inequalities in our borough compared to the rest of the county, I'm really determined to push forward on this with the local cycling and walking infrastructure plan for our borough, which will hopefully encourage a greater participation by our residents.

I think cycling and walking are really good for our physical and mental health and good for the environment too.

I'm also very keen to promote health and well-being walks across the borough.

I'm setting one up in my ward.

I've previously alluded to this so if any members from any party are interested in setting one up in their ward, then I'd be more than happy to assist with that.

And I'm also happy to meet with the councillor Wright to discuss all of the above in more detail if you so wish.

CL41 **Special Urgency Decisions**

None taken

CL42 **Cabinet**

The Leader of the Council submitted the Leaders report on behalf of Cabinet. The report highlighted matters considered at the Cabinet meetings held on 17th July 2024 and 10th September 2024 and details of reports from the West Midlands Combined Authority Board (WMCAB), which has a direct impact on NBBC.

RESOLVED that the report be noted.

CL43 **Review of Member Allowances – Independent Remuneration Panel**

A report of the Chair of Independent Remuneration Panel was submitted to full Council to consider the recommendations of the panel in respect of the Member Allowance Scheme.

Councillor S. Hey moved the recommendations for Council approval

Councillor B. Hughes seconded the recommendations

A recorded vote was taken as follows:

FOR: Councillors E. Amaechi, J. Bonner, S. Dhillon, W. Hancox, S. Hey, P. Hickling, B. Hughes, T. Jenkins, N. King, M. Kondakor, C. Phillips, K. Price, R. Roze, B. Saru, J. Sheppard, T. Sheppard, C. Smith, T. Venson, C. Watkins and M. Wright

AGAINST: Councillors M. Bird, J. Clarke, J. Collett, T. Cooper, S. Croft, J. Gutteridge, J. Hartshorn, A. Khangura, S. Markham, W. Markham, B. Pandher, R. Smith, M. Walsh, and K. Wilson

ABSTENTIONS: None

The recommendations were carried.

RESOLVED that

- i) Delegated Authority be granted to the Assistant Director – Democracy and Governance to publish the Independent Remunerational Panel report as required by The Local Authorities (Members' Allowances) (England) Regulations 2003 (regulation 22), regardless of the decision made by Full Council;
- ii) the recommendations made by the Independent Remuneration Panel be approved to be implemented from the date of the Council's Annual Meeting on 14th May 2025 (or date of Annual Council in May 2025 in the event the date is changed);
- iii) the basic allowance be set at £5,870;
- iv) the Special Responsibility allowances be as follows:
 - (a) Leader of the Council: £14,675
 - (b) Deputy Leader Council: £8,805
 - (c) Executive Cabinet Members: £7,338
 - (d) Chair Planning: £5,136
 - (e) Chairs Overview & Scrutiny: £3,669
 - (f) Chair Licensing: £1,468
 - (g) Chair Audit & Standards: £4,403
 - (h) Main Opposition Group Leader: £3,669
 - (i) Leader Minor Opposition Group (if reach 4 Members): Not Applicable
- v) Where there are two Main Opposition Groups of equal size that the recommended SRA (£3,668) for the Leader of the Main Opposition Group divided by two and paid equally to each Main Opposition Group Leader. In this situation this would equate to an SRA of £1,834.
- vi) the Nuneaton & Bedworth BC Members' Allowances scheme maintains the one-SRA only rule and this provision is inserted in the Allowances Scheme so that it clarifies this position.
- vii) there is no change regarding Members being unable to claim Subsistence Allowances for attending in-borough duties.

- viii) the current terms and conditions and rates at which Members can claim out of Borough Subsistence Allowances are maintained.
- ix) the Members right to claim Travel Allowances for attending in-borough duties is maintained.
- x) the current rates for the claiming of out of Borough Travel Allowances is maintained but to future proof the travel allowances the IRP also recommends that the scheme is clarified and amended to expressly state that where a Member claims the mileage allowance by travel in a hybrid/electric vehicle that the HMRC rates are also applicable.
- xi) the Dependents' Carers' Allowance be maintained with the two different categories of care at the maximum specified rates but also that the Allowances Scheme is amended so that any DCA claims will only be reimbursed upon the production of receipts. This latter provision should also be inserted into the Allowances Scheme.
- xii) the Co-optees' Allowance be reset at £350 for 2025/26, subject to any indexation that may be applicable for that year.
- xiii) the Telephone Allowance be maintained but reset at £20 per month or £240 per year from start of the 2025/26 municipal year, subject to any applicable indexation in that year.
- xiv) the Nuneaton and Bedworth Borough Council Members Allowances are indexed as follows:
 - (a) Basic Allowance, SRAs, Co-optees' Allowances and the Telephone Allowance: Indexed to the annual percentage salary increase for local government staff set at SCP 43 to be applied for the same year that applies to staff.
 - (b) Subsistence Allowances: Indexed to the same rates that apply to staff.
 - (c) Travel Allowance – Mileage Rates: Indexed to HMRC approved mileage rates for motor, hybrid and electric vehicles, motor cycles and bicycles.
 - (d) Dependents' Carers' Allowance – Maximum Rates:
 - i. Childcare element: indexed to the 'national living wage' hourly rate.
 - ii. Elderly or Other Dependant Relatives element: indexed to median hourly rate charged by Warwickshire County Council Social Services Department Adult Social Care for home help.

- xv) the Member Allowances mentioned under recommendation ii) be included and built into the 2025/2026 budget.
- xvi) the indices apply for the maximum length permitted by the 2003 Regulations namely four years and to run from start of 2025/26 municipal year until the end of the 2028/29 municipal year unless otherwise amended or revoked by Full Council.

CL44 Appointment of Monitoring Officer

A report by the Chief Executive Officer to request the role of Monitoring Officer be added to the post of Assistant Director – Democracy and Governance was submitted for Council approval.

Councillor C. Watkins moved the recommendations

Councillor J. Sheppard seconded the recommendations

A vote was taken.

RESOLVED that

- a) the role of the Monitoring Officer be designated to the post of the Assistant Director – Democracy & Governance; and
- b) the current post holder Matthew Wallbank as Monitoring Officer be appointed with effect from 13th January 2025.

CL45 Recommendations from Cabinet and Other Committees

i) Gambling Act 2005 – Statement of Licensing Policy

At the Licensing Committee meeting held on the 25th September 2024 a report by Assistant Director – Environment and Enforcement was submitted and a recommendation put forward for Council approval.

Councillor R. Roze moved the recommendation for council approval.

Councillor C. Watkins seconded the recommendation.

A vote was taken.

RESOLVED that the Gambling Act 2005 – Statement of Licensing Policy be adopted in accordance with the legislative provisions.

ii) Capital Forecast Q2 2024/25

At the Cabinet meeting held on the 6th November 2024, a report by the Assistant Director – Finance was submitted and a recommendation put forward for Council approval.

Councillor S. Hey moved the recommendation for Council approval.

Councillor C. Watkins seconded the recommendation

A vote was taken

RESOLVED that

- a) an update to the 2025/26 forecasted Budget for Capital be included for s106 funded projects detailed in 4.18 of the report; and
- b) a change to the Capital and Revenue Budget on cemeteries for 2024/25 as detailed in 4.21 of the report be approved.

iii) Treasury Management 2024/25 – Mid Year Review

At the Audit and Standards Committee meeting held on the 12th November a report by Finance Manager - Treasury was submitted and a recommendation put forward for Council approval.

Councillor J. Bonner moved the recommendation for council approval.

Councillor C. Watkins seconded the recommendation.

A vote was taken.

RESOLVED that Treasury Management Report for 2024/25 – Mid-year review be noted.

iv) Removal of Elected Members from Grayson Place (NBBC) Limited and NABCEL Directorship Roles

At the Audit and Standards Committee meeting held on the 12th November a report by the Constitution Review Working Party was submitted and a recommendation put forward for Council approval.

Councillor J. Bonner moved the recommendation for Council approval.

Councillor C. Watkins seconded the recommendation.

A recorded vote was taken as follows:

FOR: Councillors E. Amaechi, J. Bonner, S. Dhillon, W. Hancox, S. Hey, P. Hickling, B. Hughes, T. Jenkins, N. King, C. Phillips, K. Price, R. Roze, B. Saru, J. Sheppard, T. Sheppard, C. Smith, T. Venson, and C. Watkins

AGAINST: Councillors M. Bird, J. Clarke, J. Collett, T. Cooper, S. Croft, J. Gutteridge, J. Hartshorn, A. Khangura, M. Kondakor, S. Markham, W. Markham, B. Pandher, R. Smith, M. Walsh, K. Wilson and M. Wright

ABSTENTIONS: None

The recommendation was carried.

RESOLVED that the removal of Elected Members from Grayson Place Limited and NABCEL directorship roles be approved.

v) Recommendations from the Constitution Review Working Party – Removal of Appeal Committee on the Dismissal of Employees

At the Audit and Standards Committee meeting held on the 12th November 2024 a report by the Assistant Director – Democracy & Governance and Monitoring Officer was submitted and a recommendation put forward for Council approval.

Councillor J. Bonner moved the recommendation for council approval.

Councillor C. Watkins seconded the recommendation.

A vote was taken.

RESOLVED that the constitution be amended accordingly

vi) Recommendations from the CRWP – Changes to the Delegations of the Assistant Director for Planning

At the Audit and Standards Committee held on the 12th November 2024 a report by the Assistant Director – Democracy & Governance and Monitoring Officer was submitted and a recommendation put forward for Council approval

Councillor J. Bonner moved the recommendations for council approval

Councillor C. Watkins seconded the recommendations

A vote was taken

RESOLVED that

- a) the recommendations as set out in the report and appendices be approved, with the addition of a definition for 'Major Applications being added to the glossary be approved; and
- b) the constitution be amended accordingly

Mayor

Council - Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	E. Amaechi	<ul style="list-style-type: none"> - Employed NHS Wales Shared Services Partnership (NWSSP) - Ricky Global Consultants Ltd - Purple Dove Events Ltd - Director – Techealth Ltd 	The Labour Party (sponsorship) - Foundation Governor - Our Lady and St. Joseph Academy, Nuneaton. - Member of: - British Computer Society. - Igbo Community Coventry. - Mbase Community, Coventry. Representative on the following Outside Bodies: - Committee of Management of Hartshill and Nuneaton Recreation Ground - EQuIP: Equality and Inclusion Partnership - West Midlands Combined Audit, Risk and Assurance Committee - Pride in Camp Hill (PinCH)	
	M. Bird		<ul style="list-style-type: none"> - Life Member of National Association of British Market Authorities. - Member of the Stockingford Allotment association and Pavillion Club. 	
	J. Bonner	Employed by Etone College (Matrix Academy Trust) - Teacher	The Labour Party (sponsorship) Member of: - The Labour Party - National Education Union	
	D. Brown	Employed by H.M Land Registry	<ul style="list-style-type: none"> -Regional Coordinator, Ragdoll Rescue Charity. -Trustee of the Exhall Education Foundation Charity 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	A. Bull	Employed by FedEx	The Labour Party (sponsorship) -CWU Trade Union Member Representative of the following Outside Bodies: <ul style="list-style-type: none"> Age UK (Warwickshire Branch) 	
	J. Clarke	-Employed by Marcus Jones - Warwickshire County Councillor	Nuneaton Conservative Association; Deputy Chairman Officer of the Abbey Preceptory Masonic Buildings - Nuneaton	
	J. Collett	Employed by: - Consigliere Strategy Ltd - Director, Research and Insights for Fullbrook Strategies Ltd.	- Nuneaton Conservative Association (sponsorship) Member of: - Nuneaton Rugby Club - Nuneaton Town Football Club - Nuneaton Cricket Club	
	T. Cooper	None		
	S. Croft	Employed at Holland & Barrett Retail Ltd		
	L. Cvetkovic	Head of Geography (Teacher), Sidney Stringer Academy, Coventry	Trustee of Bulkington Volunteers (Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: <ul style="list-style-type: none"> Building Control Partnership Steering Group 	
	S. Dhillon	Employed by UHCW NHS Trust	Member (Rep) at Unison – UHCW Trust Representative on the following Outside Bodies: <ul style="list-style-type: none"> Warwickshire Adult Social Care and Health Overview and Scrutiny Committee Camp Hill Urban Village: Pride in Camp Hill Board Committee of Management of Hartshill and Nuneaton Recreation Ground George Eliot Hospital NHS Trust – Public/User Board West Midlands Combined Authority Wellbeing Board 	
	M. Etienne	Employed by Network Rail	- Member of The Conservative Party and Nuneaton Conservative Association - RMT Member	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Gutteridge			
	B. Hancox		<p>The Labour Party (sponsorship) Member of:</p> <ul style="list-style-type: none"> - The Labour Party - Unite the Union - British Gurkha Veterans Association (Adviser) <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Nuneaton Festival of Arts • Bedworth Neighbourhood Watch Committee • Nicolas Chamberlaine's School Foundation 	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	
	S. Hey	Director – - Heywire Ltd - Brilliant Bookings Ltd	<p>Member of the Labour Party, National Trust, CAMRA (Campaign for Real Ale), Royal Photographic Society.</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • West Midlands Employers Board (NBBC representative) • Local Government Superannuation Scheme Consultative Board • Grayson Place (NBBC) Limited • West Midlands Employers • Nuneaton and Bedworth Older People's Forum 	
	P. Hickling	- Employed by Wyggeston and Queen Elizabeth I College (Teacher) - Pearson Education (Snr Examiner)	<p>The Labour Party (sponsorship) - Member of The Labour Party (CLP and Secretary of Nuneaton West) - Member of National Education Union - Committee Member of Nuneaton Historical Association</p> <p>Representative on the following Outside Bodies: - Friendship Project for Children</p>	
	B. Hughes	Full Time Carer	Member of the Labour Party. Member of the National Trust. Member of the Caravan and Motorhome Club Member of CAMRA	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Representative on the following Outside Bodies: <ul style="list-style-type: none"> • George Elliot Hospital NHS Foundation Trust Governors 	
	T. Jenkins	Managing Partner – Gribblybugs LLP	The Labour Party (sponsorship) - Committee Member of Warwickshire Amphibian & Reptile Team - Member of Warwickshire Wildlife Trust - Member of Equity – Trade Union Members of National Trust and English Heritage Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Sports Forum, • Safer Warwickshire Partnership Board, • Warwickshire Health and Wellbeing Board, • Warwickshire Police and Crime Panel, • Biodiversity Champion • Committee of Management of Hartshill and Nuneaton Recreation Ground • Exhall Education Foundation • Foleshill Charity Trustee – Proffitt's Charity 	
	A. Khangura	Self-Employed		
	N. King	Employed by Love Hair and Beauty	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton Town Deal Board 	
	M. Kondakor		- Member of the Green Party - Member of Nuneaton Harriers AC - Chair – Bedworth Symphony Orchestra	
	S. Markham	County Councillor – WCC (Portfolio Holder for Children's Services)	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Hammersley, Smith and Orton Charities • Trustee of Abbey Theatre • Bedworth Board • Free Speech Union • Exhall Multicultural Group 	
	W. Markham		Governor at Ash Green School for SEND	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Member of the following bodies: - Unite Union - Free Speech Union - Exhall Multicultural Group	
	B. Pandher		- Member of Warwickshire County Council. - Member of the Conservative Party - President & Trustee of Nanaksar Gurdwara Gursikh Temple Coventry; - Coordinator of Council of Sikh Temples in Coventry; - Secretary of Coventry Indian Community; - Trustee of Sikh Monument Trust - Vice Chair Exhall Multicultural Group	
	C. Phillips	Member of Warwickshire County Council	- Chair of Governors – Stockingford Nursery School - Member of Labour Party - Part-time Carer	
	K. Price	Warwickshire County Council	The Labour Party Unite the Union BASW Social Work England Registration	
	R. Roze	Director – InfiniTEN Ltd	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • A5 Member Partnership • Nuneaton and Bedworth Community Enterprises Ltd • PATROL (Parking and Traffic Regulations Outside of London) Joint Committee Services. • Building Control Partnership Steering Group • Bedworth Town Deal Board 	
	B. Saru	- Director – Saru Embroidery Ltd - Co-founder and Owner – Fish Tale Ale Beer	- Labour Party (sponsorship) - Chair of the British Gurkha Veterans Association Representative on the following Outside Bodies: - Armed Forces Covenant	
	J. Sheppard		Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Sherbourne Asset Co Shareholder 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Committee <ul style="list-style-type: none"> • Warwickshire Direct Partnership • Warwickshire Waste Partnership • Nuneaton Neighbour Watch Committee 	
			Director of Wembrook Community Centre.	Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre
			Member of Labour Party	
	T. Sheppard	Self Employed	Member of Unite the Union Member of Labour Party	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - Safeguarding – Manor Park RFC Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Astley Charity 	
	R. Smith		- Conservative Party Member - Chair of Trustees - Volunteer Friends, Bulkington; - Trustee of Bulkington Sports and Social Club. - Trustee of Bulkington Volunteers	
	T. Venson	Employed by Freightliner Heavy Haul	ASIEF Trade Union The Labour Party Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Building Control Partnership Steering Group • Warwickshire Joint Overview and Scrutiny Committee 	
	M. Walsh	Employed by MacInnes Tooling Ltd. – UK Sales Manager	Trustee of the Nuneaton Scouts Association. Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Hammersley Smith and Orton Charity 	
	C.M. Watkins	Employee of Nutri Pack	Representative on the following outside bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Community Enterprises Ltd. (NABCEL) • Coventry, Warwickshire and Hinckley and Bosworth Joint Committee 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			<ul style="list-style-type: none"> • Local Government Association • Nuneaton and Bedworth Home Improvement Agency • Nuneaton and Bedworth Safer and Stronger Communities Partnership • Nuneaton and Bedworth Community Enterprises Ltd • Warwickshire Housing Support Partnership • West Midlands Combined Authority Board (WMCA) • West Midland Combined Housing and Land delivery Board 	
	K.D. Wilson	Delivery Manager, Nuneaton and Warwick County Courts & West Midlands and Warwickshire Bailiffs, HMCTS, Warwickshire Justice Centre, Nuneaton	<p>- Deputy Chairman – Nuneaton Conservative Association</p> <p>- Nuneaton Conservative association (sponsorship)</p> <p>- Board Member of the Conservative Councillors' Association.</p> <p>- Corporate Tenancies: properties are leased by NBBC to Nuneaton and Bedworth Community Enterprises Ltd, of which I am a Council appointed Director.</p> <p>Representative on the following Outside Bodies:</p> <p>-LGA People & Places Board (Member)</p> <p>-Director of Nuneaton and Bedworth Community Enterprises Ltd (NABCEL)</p> <p>-Director of Grayson Place (NBBC) Ltd</p>	
	M. Wright			

Council - Schedule of Declarations of Interests – 2024/2025

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	General dispensations granted to all members under s.33 of the Localism Act 2011			Granted to all members of the Council in the areas of: <ul style="list-style-type: none"> - Housing matters - Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992 - An allowance, payment given to members - An indemnity given to members - Any ceremonial honour given to members - Setting council tax or a precept under the Local Government Finance Act 1992 - Planning and Licensing matters - Allotments - Local Enterprise Partnership
	E. Amaechi	<ul style="list-style-type: none"> - Employed NHS Wales Shared Services Partnership (NWSSP) - Ricky Global Consultants Ltd - Purple Dove Events Ltd - Director – Techealth Ltd 	The Labour Party (sponsorship) - Foundation Governor - Our Lady and St. Joseph Academy, Nuneaton. - Member of: - British Computer Society. - Igbo Community Coventry. - Mbase Community, Coventry. Representative on the following Outside Bodies: - Committee of Management of Hartshill and Nuneaton Recreation Ground - EQuIP: Equality and Inclusion Partnership - West Midlands Combined Audit, Risk and Assurance Committee - Pride in Camp Hill (PinCH)	
	M. Bird		<ul style="list-style-type: none"> - Life Member of National Association of British Market Authorities. - Member of the Stockingford Allotment association and Pavillion Club. 	
	J. Bonner	Employed by Etone College (Matrix Academy Trust) - Teacher	The Labour Party (sponsorship) Member of: - The Labour Party - National Education Union	
	D. Brown	Employed by H.M Land Registry	<ul style="list-style-type: none"> -Regional Coordinator, Ragdoll Rescue Charity. -Trustee of the Exhall Education Foundation Charity 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	A. Bull	Employed by FedEx	The Labour Party (sponsorship) -CWU Trade Union Member Representative of the following Outside Bodies: <ul style="list-style-type: none"> • Age UK (Warwickshire Branch) 	
	J. Clarke	- Warwickshire County Councillor	Nuneaton Conservative Association - Treasurer Officer of the Abbey Preceptory Masonic Buildings - Nuneaton	
	J. Collett	Employed by: - Consigliere Strategy Ltd - Director, Research and Insights for Fullbrook Strategies Ltd.	- Nuneaton Conservative Association (sponsorship) Member of: - Nuneaton Rugby Club - Nuneaton Town Football Club - Nuneaton Cricket Club	
	T. Cooper	None		
	S. Croft	Employed at Holland & Barrett Retail Ltd		
	L. Cvetkovic	Head of Geography (Teacher), Sidney Stringer Academy, Coventry	Trustee of Bulkington Volunteers (Founder); Bulkington Sports and Social Club (Trustee) Member on the following Outside Bodies: <ul style="list-style-type: none"> • Building Control Partnership Steering Group 	
	S. Dhillon	Employed by UHCW NHS Trust	Member (Rep) at Unison – UHCW Trust Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Warwickshire Adult Social Care and Health Overview and Scrutiny Committee • Camp Hill Urban Village: Pride in Camp Hill Board • Committee of Management of Hartshill and Nuneaton Recreation Ground • George Eliot Hospital NHS Trust – Public/User Board • West Midlands Combined Authority Wellbeing Board 	
	M. Etienne	Employed by Network Rail	- Member of The Conservative Party and Nuneaton Conservative Association - RMT Member	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Gutteridge			
	B. Hancox		<p>The Labour Party (sponsorship) Member of:</p> <ul style="list-style-type: none"> - The Labour Party - Unite the Union - British Gurkha Veterans Association (Adviser) <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Nuneaton Festival of Arts • Bedworth Neighbourhood Watch Committee • Nicolas Chamberlaine's School Foundation 	
	J. Hartshorn	Employed by Asda Nuneaton	Member of Nuneaton Conservatives	
	S. Hey	<p>Director –</p> <ul style="list-style-type: none"> - Heywire Ltd - Brilliant Bookings Ltd 	<p>Member of the Labour Party, National Trust, CAMRA (Campaign for Real Ale), Royal Photographic Society.</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • West Midlands Employers Board (NBBC representative) • Local Government Superannuation Scheme Consultative Board • West Midlands Employers • Nuneaton and Bedworth Older People's Forum 	
	P. Hickling	<ul style="list-style-type: none"> - Employed by Wyggeston and Queen Elizabeth I College (Teacher) - Pearson Education (Snr Examiner) 	<p>The Labour Party (sponsorship)</p> <ul style="list-style-type: none"> - Member of The Labour Party (CLP and Secretary of Nuneaton West) - Member of National Education Union - Committee Member of Nuneaton Historical Association <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> - Friendship Project for Children 	
	B. Hughes	Full Time Carer	<p>Member of the Labour Party. Member of the National Trust. Member of the Caravan and Motorhome Club Member of CAMRA</p> <p>Representative on the following</p>	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Outside Bodies: <ul style="list-style-type: none"> • George Elliot Hospital NHS Foundation Trust Governors • Governor of Stockingford Maintained Nursery School 	
	T. Jenkins	Managing Partner – Gribblybugs LLP Employed by Mary Creagh MP (Coventry East)	The Labour Party (sponsorship) - Committee Member of Warwickshire Amphibian & Reptile Team - Member of Warwickshire Wildlife Trust - Member of Equity – Trade Union Members of National Trust and English Heritage Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Sports Forum, • Safer Warwickshire Partnership Board, • Warwickshire Health and Wellbeing Board, • Warwickshire Police and Crime Panel, • Biodiversity Champion • Committee of Management of Hartshill and Nuneaton Recreation Ground • Exhall Education Foundation • Foleshill Charity Trustee – Proffitt's Charity 	
	A. Khangura	Self-Employed		
	N. King	Employed by Love Hair and Beauty	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton Town Deal Board 	
	M. Kondakor		- Member of the Green Party - Member of Nuneaton Harriers AC - Chair – Bedworth Symphony Orchestra	
	S. Markham	County Councillor – WCC (Portfolio Holder for Children's Services)	Member of the following Outside Bodies: <ul style="list-style-type: none"> • Hammersley, Smith and Orton Charities • Trustee of Abbey Theatre • Bedworth Board • Free Speech Union 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			<ul style="list-style-type: none"> • Exhall Multicultural Group 	
	W. Markham		Member of the following bodies: - Unite Union - Free Speech Union - Exhall Multicultural Group	
	B. Pandher		- Member of Warwickshire County Council. - Member of the Conservative Party - President & Trustee of Nanaksar Gurdwara Gursikh Temple Coventry; - Coordinator of Council of Sikh Temples in Coventry; - Secretary of Coventry Indian Community; - Trustee of Sikh Monument Trust - Vice Chair Exhall Multicultural Group	
	C. Phillips	Member of Warwickshire County Council	- Chair of Governors – Stockingford Nursery School - Member of Labour Party - Part-time Carer	
	K. Price	Warwickshire County Council	The Labour Party Unite the Union BASW Social Work England Registration	
	R. Roze	Director – InfiniTEN Ltd	Representative on the following Outside Bodies: <ul style="list-style-type: none"> • A5 Member Partnership • Nuneaton and Bedworth Community Enterprises Ltd • PATROL (Parking and Traffic Regulations Outside of London) Joint Committee Services. • Building Control Partnership Steering Group • Bedworth Town Deal Board 	
	B. Saru	- Director – Saru Embroidery Ltd - Co-founder and Owner – Fish Tale Ale Beer	- Labour Party (sponsorship) - Chair of the British Gurkha Veterans Association Representative on the following Outside Bodies: - Armed Forces Covenant	
	J. Sheppard		Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Sherbourne Asset Co 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Shareholder Committee <ul style="list-style-type: none"> • Warwickshire Direct Partnership • Warwickshire Waste Partnership • Nuneaton Neighbour Watch Committee 	
			Director of Wembrook Community Centre.	Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre
			Member of Labour Party	
	T. Sheppard	Self Employed	Member of Unite the Union Member of Labour Party	
	C. Smith	Software Engineer – Prophet PLC	- Member of Labour Party and Unite - Safeguarding – Manor Park RFC Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Astley Charity 	
	R. Smith		- Conservative Party Member - Chair of Trustees - Volunteer Friends, Bulkington; - Trustee of Bulkington Sports and Social Club. - Trustee of Bulkington Volunteers	
	T. Venson	Employed by Freightliner Heavy Haul	ASIEF Trade Union The Labour Party Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Building Control Partnership Steering Group • Warwickshire Joint Overview and Scrutiny Committee 	
	M. Walsh	Employed by MacInnes Tooling Ltd. – UK Sales Manager	Trustee of the Nuneaton Scouts Association. Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Hammersley Smith and Orton Charity 	
	C.M. Watkins	Employee of Nutri Pack	Representative on the following outside bodies: <ul style="list-style-type: none"> • Coventry, Warwickshire and Hinckley and Bosworth Joint Committee • Local Government Association 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			<ul style="list-style-type: none"> • Nuneaton and Bedworth Home Improvement Agency • Nuneaton and Bedworth Safer and Stronger Communities Partnership • Warwickshire Housing Support Partnership • West Midlands Combined Authority Board (WMCA) • West Midland Combined Housing and Land delivery Board 	
	K.D. Wilson	Delivery Manager, Nuneaton and Warwick County Courts & West Midlands and Warwickshire Bailiffs, HMCTS, Warwickshire Justice Centre, Nuneaton	<p>- Deputy Chairman – Nuneaton Conservative Association</p> <p>- Nuneaton Conservative association (sponsorship)</p> <p>- Board Member of the Conservative Councillors' Association.</p> <p>Representative on the following Outside Bodies:</p> <p>-LGA People & Places Board (Member)</p>	
	M. Wright			

4A.9 PUBLIC PARTICIPATION

4.9.1 General

At each Ordinary Meeting or Extra Ordinary Meeting of the Council, 20 minutes (which can be extended at the discretion of the Mayor) shall be set aside for questions or statements from the public gallery by any resident of the Borough in relation to matters in respect of which the Council has powers or duties, or which affect the Borough. In the case of an Extra Ordinary Meeting the question or statement must relate to the business of that meeting.

4.9.2 Notice of Questions and Statements

No such question shall be asked, or statement made, unless it shall have been delivered in writing to the Head of Paid Service no later than 12 noon, two working days, before the meeting of the Council.

4.9.3 Scope of Questions and Statements

The Head of Paid Service may reject a question or statement if it:

- a) is not about a matter for which the Council has a responsibility or which doesn't affect the Borough;
- b) is defamatory, frivolous or offensive;
- c) is substantially the same as a question or statement which has been put at a meeting of the Council in the past six months;
- d) requires or involves the disclosure of confidential or exempt information; or
- e) It is not a question nor a statement, as provided for in these Procedure Rules.

4.9.4 The Mayor will invite the relevant Cabinet Member or Committee Chair to give a reply. Such reply shall not exceed five minutes. In the case of a question, on the discretion of the Mayor, a supplementary question may be asked if arising directly from the reply, provided that the original allocation of five minutes is not exceeded. The Mayor may reject a supplementary question on any of the grounds detailed in paragraph 4.9.3 above

4.9.5 Time Limit and Number of Questions

No question or statement shall exceed three minutes. In the event of there being more than one question or statement, the Head of Paid Service will ensure that questions and statements are dealt with in the order received. At the expiry of the 20 minute period, or such period as may be agreed by the Mayor, or after the reply to the final question or statement, whichever shall first occur, the Council will proceed to the next business.

4.9.6 Record of Questions and Statements

The question or statement and the reply given shall be minuted.

4.9.7 Reference of Question to the Cabinet or a Committee

Unless the Mayor decides otherwise, no discussion will take place on any question, but any Member may move that a matter raised by a question be referred to the Cabinet or the appropriate Committee. Once seconded, such a motion will be voted on without discussion.

4.9.8 Any question or statement which cannot be dealt with during Public Participation because of lack of time will be dealt with in writing, and recorded in accordance with paragraph 4.9.6.

4A.10 QUESTIONS BY COUNCILLORS

4.10.1 A Member of the Council may ask the Leader of the Council or the Chair of a Committee any question without notice upon an item of the report of the Cabinet or a Committee (respectively) when that item is being received or under consideration by the Council.

4.10.2 Questions on Notice at Full Council

At each meeting a Member of the Council may ask no more than one question (but see 4.10.3(b) below) on any matter in relation to which the Council has powers or duties, or which affects the Borough. A Member may choose to ask their permitted question of either:

- a Member of the Cabinet; or
- the Chair of any Committee, Panel or Sub-Committee

4.10.3 No such question under paragraph 4.10.2 shall be asked unless:

- (a) the question has been delivered in writing to the Head of Paid Service and Leader 12 noon two working days before the day of the meeting of the Council; or
- (b) where the question relates to urgent matters, they have the consent of the Mayor or the Leader of the Council or the Portfolio Holder to whom the question is to be put or in the case of a Committee, Panel or Sub-Committee, the Chair, and the content of the question is given to the Head of Paid Service at least three hours before the time that the meeting is due to start.

4.10.4 The Member who put the question may ask one supplementary question of the Member to whom the first question was asked if it arises directly out of the original question or the reply, and shall be put and answered without discussion.

4.10.5 Response

An answer may take the form of:

- (a) a direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

4.10.6 Request to Speak on the Matter

- (a) Arising from the question, and the response or supplementary response given, any other member of the Council may request to move a motion in connection with the response under consideration and, if seconded, speak on the item. The Rules of Debate as set out in Council Procedure Rule 13 shall apply (as modified below) and the responder to the original question shall have the right of reply at the end of the debate.
- (b) Any debate on a question shall be limited to no more than 15 minutes (excluding the right of reply) and each member shall be limited to speaking for no more than three minutes each.
- (c) Notwithstanding the provisions of (b) above, the maximum time for Members' questions shall not normally exceed 45 minutes, and the Mayor shall have discretion to limit the debate on questions as he or she shall see fit.

4.10.7 Reference of Question to the Cabinet or a Committee

Any Member may move that a matter raised by a question be referred to the Cabinet or the appropriate Committee. Once seconded, such a motion will be voted on without discussion.

- 4.10.8 Any question which cannot be dealt with because of lack of time will be dealt with in writing in accordance with paragraph 4.10.5 (c).

4.10.9 Questions on Notice at Committees, Panels or Sub-Committees

A Member of a Committee, Panel or Sub-Committee may, upon giving notice, ask the Chair of it one question on any matter in relation to which the Council has powers or duties, or which affect the Borough and which falls within the Terms of Reference of that Committee, Panel or Sub-Committee

Cabinet Report to Council - February 2025

1. Introduction

This report deals with the Cabinet meetings held on 4th December 2024, 15th January 2025 and 31st January 2025

2. 4th December 2024 - Cabinet Meeting

a) Project Updates – Saints/Pingles Leisure Centre (Key Decision)

- **Business and Regeneration – Councillor N. King**
- **Leisure, Communities and Health – Councillor T. Jenkins**

Cabinet approved the funding for the Saints project costing £56k to undertake the required works and an additional General Fund contribution is allocated for the Pingles of £280k as part of the 2025/26 budget setting round to support the project.

An additional sum was also approved as a General Fund contribution towards major capital works on public assets and Cabinet have noted the potential impact this may have to other scheduled works and potential funding pressures in future years. Progress on the projects are to be reported quarterly to Cabinet.

b) Draft General Fund Revenue Budget 2025/26 (Key Decision)

- **Resources and Customer Services – Councillor S. Hey**

Cabinet approved the draft revenue budget for the General Fund for 2025/26 Cabinet have reviewed the line item detail of the proposed draft budget, in line with the Local Government Finance Settlement, implementing savings and growth areas as necessary.

The Council needs to make some difficult decisions regarding services and fees. The unknown future financial settlements create uncertainty and the draw on reserves being seen in recent years is not sustainable into the medium-term.

3. 15th January 2025 Cabinet Meeting

a) Draft Corporate Plan April 2025 – March 2028 (Key Decision)

- **Leader of the Council – Councillor C. Watkins**

Cabinet endorsed the Draft Council Corporate Plan for April 2025 – March 2029 with a view to commencing a public consultation.

The Corporate Plan sets out the ambition, direction, and strategy for Nuneaton and Bedworth Borough Council. The current plan, Building a Better Borough,

which was previously adopted by Full Council, expires at the end of March 2025 and therefore, the Council is required to set a new Corporate Plan.

It is important that Nuneaton and Bedworth Borough Council is clear in its articulation of its priorities, so that the residents of the entire Borough, its partners and colleagues who work throughout the organisation have a clear understanding of what this authority is aiming to deliver.

The Council Plan is the key strategic business plan for the Council which sets out the vision, values and strategic priorities. The Council Corporate Plan is the document that will provide visible accountability for performance, risk management and will shape how the Council adapts to a changing environment during the next four years. It sets the 'golden thread' for the work of colleagues to ensure that we are delivering against the priorities of the administration.

**c) Public Space Protection Order – Anti Social Behaviour (Key Decision)
- Housing – Councillor C. Watkins**

Cabinet approved the implementation of a Public Space Protection Order (PSPO) to help address the issues caused by groups and/or individuals in Nuneaton and Bedworth Town centres in accordance with the Anti-Social Behaviour, Crime and Policing Act 2014.

The order covers three areas that are detailed below:

- An authorised person, where they reasonably suspect, may request that a group of three or more within the restricted area acting in such a manner as to cause harassment, alarm or distress to any person immediately disperse and not return to the restricted area within 48 hours.
- An authorised person may request a person to dismount if they are cycling, skateboarding, scootering or using similar devices within the restricted area where they reasonably suspect that the person is riding in a malicious and/or dangerous manner as to cause harassment, alarm or distress to any person within that area.
- A person is prohibited from wearing face coverings in an attempt to conceal their identity to cause harassment, alarm or distress to any person; this includes scarves, balaclavas, and masks. This would not include a face covering worn in respect of religious or cultural beliefs.

4. 29th January 2025 – Cabinet Meeting

**a) Local Government Devolution (Key Decision)
Leader of the Council – Councillor C. Watkins**

The cabinet received an update from the Chief Executive highlighting the subsequent implications for Nuneaton and Bedworth Borough, the Council and the administration of Local Government services within Warwickshire.

A notice of motion has been submitted to full council on 19th February for consideration after an announcement from the Secretary of State that Warwickshire would not be in the first tranche to be consolidated into a unitary council thereby giving time for all districts and councils to consider different options for devolution in the best interests of the residents of the Borough.

**b) Fees and Charges 2025/26 Car parking (Key Decision)
- Business and Regeneration – Councillor N. King**

The parking charges for all NBBC off street parking spaces have remained static for the past 3 years based on charges for Long Stay and Short Stay parking and a standard charge of £1.50 for the first 3 hours. Cabinet approved the new car parking charges as part of the revised Fees and Charges for financial year 2025/26 to provide flexibility of stay for users, increase turnover of spaces in the most popular car parks, increase use of leisure facilities and green spaces and provide an affordable option in Harefield Road car park for those working in the town centre and commuters.

**c) Tenant and Leaseholder Engagement Strategy– (Key Decision)
- Housing – Councillor C. Watkins**

Cabinet approved the new Tenant and Leaseholder Engagement Strategy for adoption. The strategy outlines five key priority areas:

- 1) Empowering Engagement
- 2) Enhancing Accountability
- 3) Shared Design
- 4) Amplifying tenant and leaseholder voices
- 5) Transparency and communication

By adopting this new strategy, it ensures that the Council are complying with the Regulator of Social Housing Consumer Standards.

**d) Anti-Social Behaviour Strategy (ASB) – (Key Decision)
- Housing – Councillor C. Watkins**

Cabinet approved the revised ASB Strategy 2024 – 2027 which sets out the Council's commitment on how we tackle ASB through a framework of early intervention, support and enforcement and in partnership with other agencies.

ASB continues to affect all wards across the Borough and is subject to seasonal changes. The revised strategy, supported by robust governance, will help to ensure that the council continue to reduce both volume and the impact of ASB whilst ensuring victims and perpetrators receive support relevant to their needs and circumstances.

e) Council Tax Empty Homes Premium Policy 2025
- Corporate and Customer Services - Councillor S. Hey

Cabinet approved the policy for implementation on 1st April 2025. By implementing the policy it is designed to reduce the empty homes across the borough with the charges as listed below:

- 100% levy of the council tax on a property empty for 1 year or more
- 200% levy of the council tax on a property empty for 5 year or more
- 300% levy of the council tax on a property empty for more than 10 years

f) Other items considered

- a) Infrastructure Funding Statement (Key Decision)
- Planning and Enforcement – Councillor R. Roze
- b) Aggregated Procurement of Postal Services (Key Decision)
- Resources and Customer Services – Councillor S. Hey
- c) NBBC Corporate Colours and Logo (Key Decision)
- Resources and Customer Service – Councillor S. Hey
- d) Regeneration Project Update (Key Decision)
- Business and Regeneration – Councillor N. King

West Midlands Combined Authority (WMCA)

There are no specific reports to highlight to Council. The WMCA minutes are available on the WMCA website.

5. Conclusion

This report is presented on behalf of Cabinet, and, as always, my colleagues and I are only too happy to take any questions in relation to this report.

Councillor C. Watkins
Leader of the Council on behalf of Cabinet

NUNEATON AND BEDWORTH BOROUGH COUNCIL
ORDINARY MEETING OF THE COUNCIL
19th February 2025

AGENDA ITEM 11

Recommendations for Adoption on:

- (a) Composition of Committees and Overview and Scrutiny Panels
- (b) Membership of Committees and Overview and Scrutiny Panels

NUNEATON AND BEDWORTH BOROUGH COUNCIL

**COMPOSITION OF COMMITTEES AND OVERVIEW AND SCRUTINY PANELS
(2024/2025) – MID YEAR CHANGE**

Reason:

Following receipt of Notice by Councillor Will Markham, dated 17th December 2024 regarding the Cessation of membership of the Labour Group and joining the Conservative Group (Regulation 8 (b) of the Local Government (Committees and Political Groups) Regulations 1990.

RECOMMENDED that:

- (a) it be noted that having regard to the provisions relating to political balance, the composition of the following Committees/Scrutiny Panels be as indicated below for the remainder of the Municipal Year.

February changes in red

Committee	Seats to Allocate	Conservative	Labour	Green	Total Membership
Business, Regeneration & Planning OSP (Excl co-optees)	9	4	5	0	9
Health and Corporate Resources OSP (Excl co-optees)	9	4	4	1	9
Environment and Leisure OSP (Excl co-optees)	9	4	5	0	9
Housing and Communities OSP (Excl co-optees)	9	4	5	0	9
Audit & Standards (Excl co-optees)	11	5	5	1	11
Planning	11	5	5	1	11
Licensing	11	5	5	1	11
Appeals	10	4	5	1	10
Shareholder Committee	6	3	3	0	6
Officer Remuneration Panel	5	2	3	0	5
Borough Plan	9	4	5	0	9
Total	99	44	50	5	99

Failure to approve the recommendation shall result in non-compliance with Section 15 of the Local Government and Housing Act 1989.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

**MEMBERSHIP OF COMMITTEES AND OVERVIEW AND SCRUTINY PANELS
(2024/2025) – MID YEAR CHANGE**

Reason:

Following receipt of Notice by Councillor Will Markham, dated 17th December 2024 regarding the Cessation of membership of the Labour Group and joining the Conservative Group (Regulation 8 (b) of the Local Government (Committees and Political Groups) Regulations 1990

It be RECOMMENDED that:

- (a) the membership of committees/scrutiny panels for 2024/2025 be updated as follows for the remainder of the Municipal Year.

Appeals (10)

Councillors: M. Bird, A. Bull, J. Collett, S. Croft, S. Dhillon, M. Etienne, B. Hancox, T. Sheppard, B. Hughes and M. Wright.

Notes:

1. 5 members will be selected from the pool as required.
2. The Chair will be appointed at each particular meeting.

Audit and Standards Committee (11)

Councillor J. Bonner (Chair),
Councillor D. Brown (Vice-chair)

Councillors: T. Cooper, L. Cvetkovic, B. Hancox, J. Hartshorn, W. Markham, K. Price, B. Saru, C. Smith and M. Wright.

Licensing (11)

Councillor K. Price (Chair),
Councillor J. Gutteridge (Vice-Chair)

Councillors: E. Amaechi, M. Bird, J. Clarke, B. Hughes, A. Khangura, K. Wilson, B. Saru, T. Sheppard and M. Wright.

Planning Applications (11)

Councillor C. Phillips (Chair),
Councillor L. Cvetkovic (Vice-Chair)

Councillors: E. Amaechi, P. Hickling, M. Kondakor, S. Markham, W. Markham, B. Saru, J. Sheppard, R. Smith and K. Wilson.

Business, Regeneration and Planning Overview and Scrutiny (9)

Councillor P. Hickling (Chair)
Councillor J. Clarke (Vice-Chair)

Councillors: D. Brown, A. Bull, S. Dhillon, M. Etienne, B. Saru, C. Smith, R. Smith.

Environment and Leisure Overview and Scrutiny (9)

Councillor T. Venson (Chair)
Councillor M. Walsh (Vice-Chair)

Councillors: E. Amaechi, A. Bull, J. Collett, J. Gutteridge, B. Hughes, S. Markham and C. Smith.

Health and Corporate Resources Overview and Scrutiny (9)

Councillor S. Dhillon (Chair)
Councillor J. Hartshorn (Vice-Chair)

Councillors: J. Bonner, B. Hughes, A. Khangura, M. Kondakor, B. Pandher, T. Venson and W. Markham.

Housing and Communities Overview and Scrutiny (9)

Councillor B. Hughes (Chair)
Councillor M. Etienne (Vice-Chair)

Councillors: E. Amaechi, M. Bird, T. Cooper, S. Dhillon, B. Pandher, C. Smith and T. Venson.

Borough Plan (9)

Councillor R. Roze (Chair)

Councillors: M. Bird, A. Bull, L. Cvetkovic, T. Jenkins, C. Smith, R. Smith, M. Walsh and C. Watkins.

Officer Remuneration Panel (5)

Councillor J. Sheppard (Chair)

Councillors: D. Brown, S. Dhillon, K. Wilson and T. Venson.

Shareholder Committee (6)

Councillor J. Sheppard (Chair)

Councillors: J. Clarke, J. Gutteridge, S. Hey, N. King, and M. Walsh

Notice of Motion for the Council Meeting on 19th February

This Council are pleased that the Secretary of State has not acceded to the request of the Conservative Administration at Warwickshire County Council, to push through the creation of a single-tier local authority, based on the existing Warwickshire County and to ask for the upcoming elections in May to be cancelled.

This Council endorses the successful representations made by four of the District Councils in Warwickshire to allow more time to consider all of the the options in order provide the best outcome for the residents of their respective areas.

This Council is not opposed in principle to the principle of unitary, or strategic authorities with devolved powers, provided they are established with the best interests in mind, for local residents, and looks forward to exploring opportunities.

This Council supports the work of the Leader and Chief Executive, to continue with discussions across the region, and to respond to the Secretary of State request for proposals for the future of Warwickshire.

 CHRIS WATKINS

 TIM JENKINS

 STEVE HEY

AGENDA ITEM NO. 13a

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit & Standards Committee

**From: Finance Manager – Treasury
 Assistant Director - Finance**

Subject: Treasury Management 2024/25 – Quarter 3 Review

1. Purpose of Report

1.1. The Council is required through the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) to report to full Council a mid-year review.

1.2. This report sets out the Council's treasury position as at 31st December 2024 and therefore any decisions made after this date are not reflected in this report.

2. Recommendations

2.1. That it be recommended to Council that the Treasury Management Report for 2024/25 – Quarter 3 be noted.

3. Background

3.1. The Council operates a balanced budget, which broadly means cash raised during the year will meet cash expenditure. Part of the purpose of treasury management operations is to ensure cashflow is planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity to meet cashflow before considering optimising investment returns.

3.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

3.3. Accordingly, Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of

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

3.4. This report has been written in accordance with the requirements of the CIPFA’s Code of Practice for Treasury Management. The primary requirements of the Code are as follows:

- i.) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- ii.) Creation and maintenance of Treasury Management Practices which set out the way the Council will seek to achieve those policies and objectives.
- iii.) Receipt by the full Council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid-year Review Report (this report) and an Annual Report covering activities during the previous year.
- iv.) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- v.) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council, the delegated body is the Audit & Standards Committee.

3.5. This mid-year report has been prepared in compliance with the Code and covers the following:

- An economic update for the third quarter of 2024/25.
- A review of the Council’s investment portfolio as of Q3 2024/25.
- A review of the Council’s debt portfolio as of Q3 2024/25.
- A review of any debt rescheduling undertaken during 2024/25.

4. Economic Update for Q3 of 2024/25

4.1. The Council’s in-house team of qualified finance staff monitor and maintain the Council’s Treasury Management activity in line with the Council’s Strategy. The Council employs Link Group as its treasury management advisor and officers hold regular meetings with them concerning existing and future potential economic circumstances regarding both investments and short/long-term borrowing.

4.2. The third quarter of 2024/25 saw:

- GDP growth contracting by 0.1% m/m in October following no growth in the quarter ending September.
- The 3myy rate of average earnings growth increase from 4.4% in September to 5.2% in October;

- Core CPI inflation increase from 3.3% in October to 3.5% in November;
- The Bank of England cut interest rates from 5.0% to 4.75% in November and hold them steady in December.
- 10-year gilt yields starting October at 3.94% before finishing up at 4.57% at the end of December (peaking at 4.64%).

4.3. The consequence of the above is that PWLB rates have rose slightly since our last update. PWLB 5 to 50 years Maturity Rates are, generally, in the range of 5.30% to 6.15%. This means it costs a little more to take out new borrowing now than previously. We are expecting, as the bank rate decreases, the PWLB rates to reduce, as well as other possible lenders.

4.4. We view the markets have built in decreases in the long-term gilt rates, but there are some differences in opinions on when a rate cut will occur meaning some variances in the short-term gilt market which will affect short term borrowing and the rates of any Money Market Funds (MMFs).

4.5. Following the 30th October Budget, the outcome of the US Presidential election on 6th November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7th November, we significantly revised our central forecasts for the first time since May. In summary, Link has raised their Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

4.6. Overall, our advisors predict there is room to further loosen the Base Rate, but it may be slower than previously forecast. The Election in the US also will affect the US Treasury Bonds and indirectly UK Gilt Rates.

4.7. MPC meetings: 7th November & 18th December 2024

4.7.1. On 7th November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut, but the language used by the MPC emphasised “gradual” reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

4.7.2. At the 18th December meeting, another split vote arose. Members voted 6-3 to keep Bank Rate on hold at 4.75%, but dissenters (Dhingra, Ramsden and Taylor) were keen for rates to be cut further as concerns over the slowing down of the UK economy took root, despite near-term inflation fears remaining.

4.7.3. The MPC again stated that “a gradual approach” to rate cuts “remains appropriate” and that policy will “remain restrictive for sufficiently long”.

5. The Council’s Investment Portfolio as at 31st December 2024

5.1. The Treasury Management Strategy Statement (TMSS) for 2024/25, which includes the Annual Investment Strategy, in accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council’s investment priorities as being:

- Security of capital
- Liquidity
- Yield

5.2. A list of all investments held as at 31st December 2024 is shown below:

Counterparty	Amount Invested	Deposit Period	Maturity Date	Interest Rate
Fixed Term Deposit:				
Dundee City Council	£5.0m	4 Months	Feb 2025	4.95%
Cornwall Council	£10.0m	2 Months	Jan 2025	4.85%
Central Bedfordshire Council	£5.0m	2 Months	Jan 2025	5.10%
Total Fixed Term Deposits	£20.0m			4.94%
Notice Accounts:				
Total Notice Accounts	£0.0m			N/A
Property Funds				
CCLA Local Authority Property Fund	£2.0m	N/A	N/A	4.28%
Total Property Funds	£2.0m			4.28%
Money Market Funds:				
Federated Prime Rate	£7.4m	N/A	N/A	4.73%
Total Money Market Funds	£7.4m			4.73%
Instant Access/Call Accounts				
Lloyds Bank (Current Account)	£6.5m	Overnight	N/A	4.65%
Total Instant Access	£6.5m			4.65%
Total Investments	£35.9m			4.81%

FINANCIAL YEAR TO QUARTER ENDED 31/12/2024							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.20	5.20	5.21	5.23	5.26	5.33
High Date	02/04/2024	03/05/2024	13/05/2024	26/06/2024	26/07/2024	26/07/2024	01/08/2024
Low	4.75	4.70	4.70	4.71	4.83	4.97	5.09
Low Date	07/11/2024	07/11/2024	27/12/2024	11/12/2024	31/12/2024	31/12/2024	02/04/2024
Average	5.06	5.01	5.02	5.05	5.12	5.20	5.25
Spread	0.50	0.50	0.50	0.50	0.41	0.29	0.24

5.3. As illustrated, the Council underperformed the SONIA benchmark by 20 bps but is within the spread. The Council's budgeted investment return for 2024/25 is £675,800, and performance for the year to date is £586,000 above budget.

5.4. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

6. The Council's Debt Position as at 31st December 2024

6.1. The Council's borrowing activity for the first 9 months of the financial year can be summarised as follows:

- No new loans were taken out
- £10m of debt matured
- £62.705m of debt is outstanding as at 31st December 2024 at an average rate of 3.64%.

6.2. Due to the high interest rates, the Treasury Team is minimalizing the amount of new external debt that the Council is undertaking, and are waiting for the rates to drop unless there is a cashflow reason or another business reason for externalising the Council's Debt.

6.3. The Council's Debt Position as at 31st December 2024 is shown below:

Borrowing	2024/25 Opening Balance £m	Balance as of 31st December 2024 £m	2024/25 Closing Forecast £m
General Fund			
PWLB	6.75	6.75	33.48
Market LOBO	2.00	2.00	2.00
HRA			
PWLB	63.96	53.46	63.96
Total	72.71	62.71	98.57

7. Debt Rescheduling

7.1. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins

added to gilt yields which have impacted PWLB new borrowing rates. No debt rescheduling has therefore been undertaken to date in the current financial year.

7.2. The Council is currently breaching their Debt Maturity limits when the full Debt of both the General Fund and the HRA is considered. This is mainly due to HRA debts that were transferred from Central Government to the Council in 2011/12 which are expecting to mature in the next 5 years.

7.3. Part of the reason for the breach has been the use of internal borrowing over the last few years. Whilst making financial sense due to the high interest rates, this has indirectly led to the breach as the Council is not borrowing more long-term debt, and therefore the percentage of debt that is maturing shortly is higher. As the CPR figure earlier showed, the Council has more capacity for debt and therefore this is not as much a problem as if we were over-borrowed.

The Council is expecting to use external borrowing later this year, which should assist with correcting the Debt Maturity breach, even if you include the HRA figures.

Total Debt Maturity Profile				
Debt Maturity within	£m	% of Total Debt	% of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	0.0	00.0%	00.0%	0%-30%
1 Year	0.0	00.0%	00.0%	0%-35%
2-5 Years	38.7	61.7%	61.7%	0%-50%
5-10 Years	16.0	25.5%	87.2%	0%-75%
10 Years and Over	8.0	12.8%	100.0%	0%-100%
Total Debt	70.2	100.0%	100.0%	

7.4. If we look at just the General Fund Debt, there is no breach of the Debt Maturity limits. There is also room for capital loans in the 5-10 year region if needed, but this would have to be evaluated over the Council's priorities and the expected lifespan of the asset linked to the capital spend.

General Fund Maturity Profile				
Debt Maturity within	£m	% of Total Debt	% of Running Total Debt	% for Lower and Upper Limit of Debt
Under 6 months	0.00	0.0%	0.0%	0%-30%
1 Year	0.00	0.0%	0.0%	0%-35%
2-5 Years	3.75	42.9%	42.9%	0%-50%
5-10 Years	0.00	0.0%	42.9%	0%-75%
10 Years and Over	5.00	57.1%	100.0%	0%-100%

Over				
Total Debt	8.75	100.0%	100.0%	

8. Conclusion

8.1. That the Audit & Standards Committee is recommended to note the Treasury Management 2024/25 Quarter 3 review

9. Appendices (if none, state none)

9.1. None

10. Background Papers (if none, state none)

10.1. None

AGENDA ITEM NO.13b

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee

From: Finance Manager - Treasury

Subject: Review of Treasury Management Practices (TMPs) 2025/26

1. Purpose of Report

1.1. To provide Audit and Standards Committee with the reviewed Treasury Management Practices (TMPs) for approval.

2. Recommendations

2.1. That the updated TMPs are noted and recommended to Council for approval.

3. Review Process

3.1. The Treasury Management Practices are subject to review every year unless significant changes are identified in the interim period. Approval of reviews / significant changes are required by this committee.

4. Treasury Management Practices

4.1. The updated TMPs is attached as Appendix A.

4.2. There are no major changes from the previous TMPs approved in July 2024.

4.3. The Key Changes:

- Updates to Position titles to reflect current title
- Addition of the new name of the Treasury Advisor in TMP11

5. Appendices

5.1. Appendix 1 – TMPs 2025/26

6. Background Papers

6.1. None

TREASURY MANAGEMENT PRACTICES

**Nuneaton and Bedworth Borough Council
2025/26**

Contents

TMP 1 Risk Management.....	4
TMP 2 Performance Measurement	7
TMP 3 Decision Making and Analysis.....	10
TMP 4 Approved Instruments, Methods and Techniques.....	12
TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements.....	13
TMP 6 Reporting Requirements and Management Information Arrangements	17
TMP 7 Budgeting, Accounting and Audit Arrangements.....	20
TMP 8 Cash and Cash Flow Management	21
TMP 9 Money Laundering.....	22
TMP 10 Training and Qualifications	24
TMP 11 Use of External Service Providers.....	26
TMP 12 Corporate Governance	28
Appendix 1. Environmental, Social and Governance risk management	29

TMP 1 Risk Management

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Corporate Resources has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are for the Council to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society This category covers bodies with a minimum Short-Term rating of AA- (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Council has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are a maximum of £10m per organisation and with organisations that meet the Treasury Management Staff's

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	Non-Specified Investment Category	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral Development Bank bonds - These are bonds defined as an international financial institution having as one of its objectives economic development, either generally or in any region of the world (e.g., European Reconstruction and Development Bank etc).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g., National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>AAA long term ratings</p> <p>£10m</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	£10m
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	£2m
d.	<p>Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £100m, but will restrict these types of investments to under 1 year.</p>	£2m
e.	<p>Any Bank or Building Society that has a minimum long-term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	£10m
f.	<p>Any Non-Rated Subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from a parent company, the investment must be under 1 year, and the subsidiary must be UK based.</p>	£2m
g.	<p>Share Capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as</p>	£2m

	such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	
h.	Other fund: The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Council will seek guidance on the status of any fund it may consider using and will update Cabinet before any use of a new style of fund.	

NOTE 1. This Council will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Resources, and if required new counterparties which meet the criteria will be added to the list.

TMP 2 Performance Measurement

2.1 Evaluation and Review of Treasury Management Decisions

The Council has a number of approaches to evaluating treasury management decisions: -

- a. Monthly reviews carried out by the Treasury team
- b. reviews with our treasury management consultants
- c. annual review after the end of the year as reported to full council
- d. Quarterly monitoring reports to Cabinet
- e. comparative reviews
- f. strategic, scrutiny and efficiency value for money reviews

2.1.1 Periodic reviews during the financial year

The Finance Manager - Treasury holds a treasury management review meeting with the Treasury team every month to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include :

- a) Total debt (both on-and off balance sheet) including average rate and maturity profile
- b) Total investments including average rate and maturity profile and changes to the above from the previous review and against the TMSS.

2.1.2 Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants every 6 months to review the performance of the investment and debt portfolios.

2.1.3 Review reports on treasury management

An Annual Treasury Report is submitted to the Council each year after the close of the financial year which reviews the performance of the Investment and Debt portfolios.

This report contains the following: -

- a. total external debt (gross external borrowing plus other long term liabilities such as finance leases) and average interest rates at the beginning and close of the financial year compared to the Capital Financing Requirement
- b. borrowing strategy for the year compared to actual strategy
- c. whether or not a decision was made to defer borrowing or to borrow in advance
- d. comment on the level of internal borrowing and how it has changed during the year
- e. assumptions made about interest rates
- f. investment strategy for the year compared to actual strategy
- g. explanations for variance between original borrowing and investment strategies and actual
- h. debt rescheduling done in the year
- i. actual borrowing and investment rates available through the year
- j. the performance and return of all investments by type of investment, evaluated against the stated investment objectives
- k. the Report shall identify investments where any specific risks have materialised during the year and report on any financial consequences of that risk; together will details of any remedial action take. This includes reporting any short term borrowing costs incurred to remediate any liquidity problem.
- l. the Report shall include details of any review of long-term investments, held by the authority, which was undertaken in the year in accordance with the Annual Investment Strategy.
- m. compliance with Prudential and Treasury Indicators
- n. other needed information

In addition, quarterly reports will be submitted to the Council each year to provide updates on the above.

2.1.4 Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential and Treasury Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club

2.2 Benchmarks and Calculation Methodology:

2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing (based on rate of investment)
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year
- Debt portfolio compared to the debt liability benchmark

2.2.2 Investment.

The performance of investment earnings will be measured against the following benchmarks:

- Average daily SONIA rate
- Backward-looking compounded SONIA (based on the average rate to maturity. 7-days for short term, 3/6/9 months etc if longer).

2.3 Policy Concerning Methods for Testing Value for money in Treasury Management

2.3.1 Frequency and processes for tendering

Tenders are normally awarded on a 3 year basis with the option to extend for 1 year twice, if approved by the Cabinet. The process for advertising and awarding contracts will be in line with the Council's Contract Standing Orders.

2.3.2 Banking services

The Council's banking arrangements are to be subject to competitive tender every 5 years unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

If tendering is not considered appropriate a specialist banking company must be appointed to ensure that the terms offered represent value for money.

2.3.3 Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them.

An approved list of brokers will be established which takes account of both prices and quality of services.

2.3.4 Consultants'/advisers' services

This Council's policy is to appoint full-time professional treasury management consultants and separate leasing advisory consultants.

2.3.5 Policy on External Managers (Other than relating to Superannuation Funds)

The Council's policy is not to appoint external investment fund managers.

TMP 3 Decision Making and Analysis

3.1 Funding, Borrowing, Lending, and New Instruments/Techniques:

3.1.1 Records to be kept

The Treasury section has a computerised system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained:

- Daily cash balance forecasts
- Money market rates for the Council's MMFs
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans
- Contract notes received from fund manager(s)
- Fund manager(s) valuation statements

3.1.2 Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).

3.1.3 Issues to be addressed.

3.1.3.1. In respect of every treasury management decision made the Council will:

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- a) consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets to ensure that its capital plans and investment plans are affordable, proportionate to the Council's overall financial capacity, and are within prudent and sustainable levels. This evaluation will be carried out in detail for three budget years ahead.
- b) Less detailed evaluation will also be carried out over a longer period of 10 years to ensure that plans continue to be affordable, proportionate, prudent and sustainable in the longer term.
- c) not borrow to invest primarily for financial return.
- d) not borrow earlier than required to meet cash flow needs unless there is a clear business case for doing so.
- e) not borrow unless it is to finance the current capital programme or to fund future debt maturities, or to ensure an adequate level of short-term investments to provide liquidity for the Council.
- f) increase its CFR and borrowing solely for purposes directly and primarily related to the functions of the authority and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- g) undertake an annual review of any investments in commercial (debt for yield) schemes with a view to identify whether such assets should be sold to provide resources to finance capital expenditure plans or refinance maturing debt.
- h) evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- i) consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- j) consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use and, if relevant, the opportunities for foreign currency funding.
- k) ensure that treasury management decisions are made in accordance with good professional practice.

3.1.3.3 In respect of investment decisions, the Council will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital;
- c) ensure that any long-term treasury investment is supported by a business case.

TMP 4 Approved Instruments, Methods and Techniques

4.1 Approved Instruments, Method and Techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined and parameters defined in TMP1.

Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury strategy.

The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

The Council has reviewed its classification with financial institutions under MIFID II and has set out in the schedule to this document those organisations with which it is registered as a professional client and those with which it has an application outstanding to register as a professional client.

TMP 5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

5.1 Allocation of responsibilities

(i) Full council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual treasury management strategy
- approval of capital strategy

(ii) Cabinet

- approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Standards Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.2 Principles and Practices Concerning Segregation of Duties

5.2.1 The following duties must be undertaken by separate officers: -

Dealing	Negotiation and approval of deal. Receipt and checking of brokers confirmation note against loans diary. Reconciliation of cash control account. Bank reconciliation
Accounting Entry	Production of transfer note. Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.

5.3 Treasury Management Organisation Chart



5.4 Statement of the treasury management duties/responsibilities of each treasury post

5.4.1. The responsible officer

The responsible officer is the person charged with professional responsibility for the treasury management function and in this Council is the Strategic Director – Corporate Resources. This person will carry out the following duties: -

- a) recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- b) submitting regular treasury management policy reports
- c) submitting budgets and budget variations
- d) receiving and reviewing management information reports
- e) reviewing the performance of the treasury management function
- f) ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- g) ensuring the adequacy of internal audit, and liaising with external audit
- h) recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of his staff. The Treasury Team must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the officers in the Treasury Management Organisation Chart.
- k) The responsible officer will ensure that treasury management policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations
- m) It is also the responsibility of the responsible officer to ensure that the Council complies with the requirements of The UK Money Markets Code (formerly known as the Non-Investment Products Code) for principals and broking firms in the wholesale markets.

5.4.2. The Treasury Management Team

The responsibilities of the Assistant Director of Corporate Resources is to act as the deputy responsible officer for the council when the responsible officer is unavailable. If the Responsible officer is available to undertake their duties, the Assistant Director of Finance will have the same level of responsibility (with regards to Treasury Management) as the Finance Manager – Treasury (see below).

The responsibilities of the Finance Manager - Treasury will be: -

- a) execution of transactions
- b) adherence to agreed policies and practices on a day-to-day basis
- c) maintaining relationships with counterparties and external service providers
- d) supervising treasury management staff
- e) monitoring performance on a day-to-day basis
- f) submitting management information reports to the responsible officer
- g) identifying and recommending opportunities for improved practices
- h) opportunities for improved practices

The Finance Manager – Treasury requires at least 1 year of professional experience in Financial Markets (including knowledge of transactions or services envisaged). If they do not have this experience, they will need advice from Treasury Advisors before undertaking any new investments or supervision from a member of the Treasury Management Organisational Chart who has the relevant experience.

The treasury management team additionally includes the following persons: -

Financial Accountant

The Financial Accountant has the same limits on investments as the Finance Manager – Treasury, and will require authorisation from a more senior role to undertake new debt arrangements. They will also require at least 1 year of professional experience in Financial Markets, or supervision from another member of the Treasury Management Organisational Chart which has the relevant experience.

Assistant Accountant(s)

The Assistant Accountants can process investments with the deals being authorised by the Financial Accountant or more senior member of staff within the Treasury Management Organisation Chart above.

5.4.3. The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the responsible officer reports regularly to the Cabinet on treasury policy, activity and performance.

5.4.4. The Monitoring Officer

The responsibilities of this post will be: -

- a) Ensuring compliance by the responsible officer with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the responsible officer when advice is sought.

5.4.5. Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.5 Absence Cover Arrangements

In the case of the Finance Manager – Treasury and the Financial Accountant both being absence, the Strategic Director – Corporate Resource and Assistant Director for Finance can deal for the Council. If secondary approval is needed, other Strategic Directors or the Chief Executive can provide this approval.

5.6 Dealing Limits

There is no specific dealing limit by post, but limits on dealing is within the TMSS.

5.7 List of Approved Brokers

A list of approved brokers is maintained within the Treasury Team and a record of all transactions recorded against them. See TMP 11.1.2.

5.8 Policy on Brokers' Services

It is this Council's policy to rotate business between brokers.

5.9 Policy on Taping of Conversations

It is not this Council's policy to tape brokers conversations.

5.10 Direct Dealing Practices

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

5.11 Settlement Transmission Procedures

A formal letter signed by an agreed cheque signatory setting out each transaction must be sent to the local authority's bankers where preliminary instructions have been given by telephone. For payments a transfer will be made through the Online Banking system to be completed by 5pm on the day of transfer.

5.12 Documentation Requirements

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payment date(s), broker.

5.13 Arrangements Concerning the Management of Third-Party Funds.

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP 6 Reporting Requirements and Management Information Arrangements

6.1 Annual programme of reporting

- a) Annual reporting requirements before the start of the year: -
 - review of the organisation's approved clauses, treasury management policy statement and practices
 - **treasury management strategy report** on proposed treasury management activities for the year comprising of the Treasury management strategy statement, Annual Investment Strategy and Minimum Revenue Provision Policy Statement.
 - **capital strategy** to cover the following: -
 - i. give a long-term view of the capital programme and treasury management implications thereof beyond the three year time horizon for detailed planning.
 - ii. an overview of treasury and non-treasury investments to highlight the risks and returns involved in each and the balance, (proportionality), between both types of investments.
 - iii. The authorities risk appetite and specific policies and arrangements for non-treasury investments
 - iv. Schedule of non-treasury investments
- b) Mid-year review
- c) Quarterly monitoring
- d) Annual review report after the end of the year

6.2 Annual Treasury Management Strategy Statement

1. The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Cabinet and then to the full Council for approval before the commencement of each financial year.
2. The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates. For instance, this Council may decide to postpone borrowing if fixed interest rates are expected to fall or borrow early if fixed interest rates are expected to rise.
3. The Treasury Management Strategy Statement is concerned with the following elements:
 - a) Prudential and Treasury Indicators
 - b) current Treasury portfolio position
 - c) borrowing requirement
 - d) prospects for interest rates
 - e) borrowing strategy
 - f) policy on borrowing in advance of need
 - g) debt rescheduling
 - h) investment strategy
 - i) creditworthiness policy
 - j) policy on the use of external service providers
 - k) any extraordinary treasury issue
 - l) the MRP strategy

4. The Treasury Management Strategy Statement will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

6.3 The Annual Investment Strategy Statement

At the same time as the Council receives the Treasury Management Strategy Statement it will also receive a report on the Annual Investment Strategy which will set out the following: -

- a) The Council's risk appetite in respect of security, liquidity and optimum performance
- b) The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- c) Which specified and non-specified instruments the Council will use
- d) Whether they will be used by the in house team, external managers or both (if applicable)
- e) The Council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list
- f) Which credit rating agencies the Council will use
- g) How the Council will deal with changes in ratings, rating watches and rating outlooks
- h) Limits of value and time for individual counterparties and groups
- i) Country limits
- j) Maximum value and maximum periods for which funds may be prudently invested
- k) Levels of cash balances and investments over the same time period (as a minimum) as the authority's capital investment plans and how the use of internal borrowing and borrowing in advance will influence those levels
- l) Interest rate outlook
- m) Budget for investment earnings
- n) A review of the holding of longer-term investments
- o) Use of a cash fund manager (if applicable)
- p) Policy on the use of external service providers

6.4 The Annual Minimum Revenue Provision Statement

This statement will set out how the Council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Annual Treasury Management Strategy Statement.

6.5 Policy on Prudential and Treasury Indicators

1. The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
2. The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the full Council

6.6 Quarterly and Mid-year reviews

The Council will review its treasury management activities and strategy on a quarterly and six monthly basis. The mid-year review will go to Full Council. This review will consider the following: -

- a) activities undertaken
- b) variations (if any) from agreed policies/practices
- c) interim performance report
- d) regular monitoring
- e) monitoring of treasury management and prudential indicators

The quarterly review will monitor the treasury management and prudential indicators as part of the authority's general revenue and capital monitoring.

6.7 Annual Review Report on Treasury Management Activity

An annual report will be presented to the Cabinet and then to the full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following: -

- a) transactions executed and their revenue (current) effects
- b) report on risk implications of decisions taken and transactions executed
- c) compliance report on agreed policies and practices, and on statutory/regulatory requirements
- d) performance report
- e) report on compliance with CIPFA Code recommendations, approved policies and practices, the member approved treasury management strategy and on statutory/regulatory requirements
- f) monitoring of treasury management indicators

6.8 Management Information Reports

Management information reports will be prepared every month by the Finance Manager - Treasury and will be presented to the Strategic Director – Corporate Resources.

These reports will contain the following information: -

- a) a summary of transactions executed and their revenue (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and explanation of variances.
- d) any non-compliance with Prudential limits or other treasury management limits.

6.9 Publication of Treasury Management Reports

Reports made to Cabinet and Council will be published as part of the meetings agenda.

TMP 7 Budgeting, Accounting and Audit Arrangements

7.1 Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices.

The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

7.2 Sample Budgets / Accounts / Prudential and Treasury Indicators

The Finance Manager - Treasury will prepare a three-year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Finance Manager - Treasury will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators and will report upon and recommend any changes required in accordance with TMP6.

7.3 List of Information Requirements of External Auditors.

- Reconciliation of loans outstanding in the financial ledger to treasury management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges reports from the Financial Systems
- Analysis of any deferred charges
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the Minimum Revenue Provision
- External fund manager(s) valuations including investment income schedules and movement in capital values.

7.4 Monthly Budget Monitoring Report

Monthly Budget Monitoring reports are produced for the Strategic Director – Finance and Governance whilst a quarterly budget monitoring report goes to Cabinet. The report is intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of treasury management activities are included within this report.

TMP 8 Cash and Cash Flow Management

8.1 Arrangements for Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually, monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

A debt liability benchmark will be created and monitored on a quarterly basis to inform a long-term view of liquidity requirements.

8.2 Bank Statements Procedures

The Council receives daily bank statements and a daily download of data from its bank. All amounts on the statement are checked to source data from Payroll, Creditors etc.

A formal bank reconciliation is undertaken on a daily basis by the Treasury Management Team on the Council's finance system.

8.3 Payment Scheduling and Agreed Terms of Trade with Creditors

Our policy is to pay creditors within 30 days of the invoice date, and this effectively schedules the payments. Certificated payments to sub-contractors must be paid within 14 days.

8.4 Arrangements for Monitoring Debtors / Creditors Levels

The Assistant Director for Finance is responsible for monitoring the levels of debtors and creditors. Details are passed to the treasury team on a monthly basis to assist in updating the cash flow models.

8.5 Procedures for Banking of Funds

All money received by an officer on behalf of the Council will without unreasonable delay be passed to the cashiers to deposit in the Council's banking accounts. The cashiers will notify the Treasury Management Team by the following morning of cash and cheques banked the previous day so that the figures can be taken into account in the daily cash flow.

8.6 Practices Concerning Prepayments to Obtain Benefits

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the responsible officer.

TMP 9 Money Laundering

9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

9.3 The Money Laundering Regulations 2012, 2015 and 2017

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

9.4 Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA

- e) appoint a member of staff to whom they can report any suspicions. This person is Corporate Fraud Officer
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is Head of Audit and Governance and it shall be a requirement that all services and departments implement this corporate policy and procedures.

9.5 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence, and this will be effected by following the procedures below.

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website on www.fca.gov.uk.

When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

9.6 Methodologies for Identifying Deposit Takers

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA register can be accessed through their website on www.fca.gov.uk).

All transactions will be carried out by either BACS or CHAPS for making deposits or repaying loans.

TMP 10 Training and Qualifications

This organisation recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The responsible officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The responsible officer will ensure that council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. The present arrangements, including a knowledge and skills schedule, are detailed in the schedule to this document.

All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Professional Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job, and it will be the responsibility of the Finance Manager – Treasury to ensure that all staff under his / her authority receive the level of training appropriate to their duties. This will also apply to those staff who from time to time cover for absences from the treasury management team.

10.1 Details of Approved Training Courses

Treasury management staff and members will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 Records of Training Received by Treasury Staff

The Finance Manager - Treasury will maintain records on all staff and the training they receive.

10.3 Record of Secondment of Senior Management

Records will be kept of senior management who are seconded into the treasury management section in order to gain first-hand experience of treasury management operations.

10.4 Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

10.5 Member training records

Records will be kept of all training in treasury management provided to members.

10.6 Members charged with governance

Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP 11 Use of External Service Providers

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants, Advisers

This Council will employ the services of other organisations to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest.

It will also ensure that the skills of the in house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support for banks and
- The credit ratings of that government support

11.1.1 Banking Services

- a) Name of supplier of service is the Lloyds Bank.
- b) Regulatory status – banking institution authorised to undertake banking activities by the FCA
- c) The branch address is:
17/23 Coventry Street, Warwickshire CV11 5TD
Tel :- 0345 602 1997
- d) Contract commenced 01/11/2022 and runs for 7 years until 31/10/2029.
- e) Cost of service is variable depending on schedule of tariffs and volumes
- f) Payments due Monthly
- g) Early Termination details:
Following a review of the pricing table, if Lloyds changes the terms and conditions and an agreement cannot be reached, then the Council can cancel immediately. Otherwise if the Council cancels the contract in advance, the full remaining value of the contract is due.

11.1.2 Money-Broking Services

The Council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the approved brokers. The performance of brokers is reviewed by the Finance Manager - Treasury every year to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the Assistant Director - Finance. A minimum of two brokers will be available at any one time to ensure value for money.

Broker 1
 King and Shaxon Limited
 First Floor, 155 Fenchurch Street LONDON EC3M 6AL
 0207 426 5950
 Authorised and Regulated by FCA (FCA No: 823315)

Broker 2
 Tradition (UK) Ltd
 Beaufort House, 15 St Botolph Street, London, EC3A 7QX
 Authorised and Regulated by FCA (FCA No: 139200)

Broker 3
 BGC Sterling Treasury
 5 Churchill Place, London, E14 5HU
 0207 894 7742
 Authorised and Regulated by FCA as part of BGC Brokers L.P (FCA No 454814)

Broker 4
 Imperial Treasury Services
 5 Port Hill, Hertford, SG14 1PJ
 01992 945550
 Imperial Treasury Services Ltd is an Appointed Representative of Frank Investments Limited a firm which is authorised and regulated by the FCA (FCA No. 627697)

11.1.3 Consultants'/Advisers' Services

Treasury Consultancy Services

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

The performance of consultants will be reviewed by the Finance Manager – Treasury every year to check whether performance has met expectations.

- a) Name of supplier of service is Link Group, Treasury solutions. Their address is 65 Gresham Street London EC2V 7NQ
- b) Regulatory status: investment adviser authorised by the FCA
- c) Contract commenced 01/10/2022 and runs for 3 years ending on 30/09/2025.

Other Consultancy services may be employed on short term contracts as and when required.

11.1.4 Credit Rating Agency

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee.

11.2 Procedures and Frequency for Tendering Services

See TMP2

TMP 12 Corporate Governance

12.1.1 List of Documents to be Made Available for Public Inspection

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection: -
 - Treasury Management Policy Statement
 - Treasury Management Strategy Statement
 - Annual Investment Strategy
 - Minimum Revenue provision policy statement
 - Annual Treasury Review Report
 - Treasury Management monitoring reports (e.g. half yearly, quarterly)

 - Annual accounts and financial instruments disclosure notes
 - Annual budget
 - Year Capital Plan
 - Capital Strategy

 - Minutes of Council / Cabinet / committee meetings

 - Schedule of all external funds managed by the Council on behalf of others and the basis of attributing interest earned and costs of these investments.

Appendix 1. Environmental, Social and Governance risk management

Policy on ESG issues

ESG is an area that CIPFA is still working on after the 2022 revised codes. In particular, work will be needed to coordinate the priority which needs to be given to issues of security, liquidity and yield (SLY) while also accommodating ESG principles as a fourth priority and principle to apply.

The assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve. CIPFA, therefore, recommends authorities to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies.

CIPFA does not expect that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

When drafting an ESG "policy", Councils will need to understand that anything too "broad" in its approach could have a material impact on potential counterparties, which could then limit diversification and / or security considerations in investment processes. Furthermore, Councils will also need to be clear that when choosing between two counterparties that pass all relevant "security" tests, that the additional implementation of an ESG policy may mean that a lower investment rate is achieved by choosing the counterparty that passes the council's ESG requirements.

Please note that these are examples of ESG factors that are considered by Credit Rating Agencies, such as Fitch, Moody's and Standard & Poor's when assigning credit ratings to counterparties. The credit ratings provided by these agencies are also used as the basis for selecting suitable counterparties by Councils.

- **Environmental:** Emissions and air quality, energy and waste management, waste and hazardous material, exposure to environmental impact.
- **Social:** Human rights, community relations, customer welfare, labour relations, employee wellbeing, exposure to social impacts.
- **Governance:** Management structure, governance structure, group structure, financial transparency.

This Council is supportive of the Principles for Responsible Investment (www.unpri.org) and will seek to bring ESG (environmental, social and governance) factors into the decision-making process for investments. Within this, the Council is also appreciative of the Statement on ESG in Credit Risk and Ratings which commits signatories to incorporating ESG into credit ratings and analysis in a systemic and transparent way. The Council uses ratings from Fitch, Moody's and Standard & Poor's to support its assessment of suitable counterparties. Each of these rating agencies is a signatory to the ESG in credit risk and ratings statement, which is as follows:

“We, the undersigned, recognise that environmental, social and governance (ESG) factors can affect borrowers’ cash flows and the likelihood that they will default on their debt obligations. ESG factors are therefore important elements in assessing the creditworthiness of borrowers. For corporates, concerns such as stranded assets linked to climate change, labour relations challenges or lack of transparency around accounting practices can cause unexpected losses, expenditure, inefficiencies, litigation, regulatory pressure and reputational impacts.

At a sovereign level, risks related to, inter alia, natural resource management, public health standards and corruption can all affect tax revenues, trade balance and foreign investment. The same is true for local governments and special purpose vehicles issuing project bonds. Such events can result in bond price volatility and increase the risk of defaults.

In order to more fully address major market and idiosyncratic risk in debt capital markets, underwriters, credit rating agencies and investors should consider the potential financial materiality of ESG factors in a strategic and systematic way. Transparency on which ESG factors are considered, how these are integrated, and the extent to which they are deemed material in credit assessments will enable better alignment of key stakeholders.

In doing this the stakeholders should recognise that credit ratings reflect exclusively an assessment of an issuer’s creditworthiness. Credit rating agencies must be allowed to maintain full independence in determining which criteria may be material to their ratings. While issuer ESG analysis may be considered an important part of a credit rating, the two assessments should not be confused or seen as interchangeable.

*With this in mind, we share a common vision **to enhance systematic and transparent consideration of ESG factors in the assessment of creditworthiness.**”*

For short term investments with counterparties, this Council utilises the ratings provided by Fitch, Moody’s and Standard & Poor’s to assess creditworthiness, which do include analysis of ESG factors when assigning ratings. The Council will continue to evaluate additional ESG-related metrics and assessment processes that it could incorporate into its investment process and will update accordingly.

This Council will not invest in companies whose core activities pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council’s mission and values e.g.:

- a. Human rights abuse (e.g., slave or child labour, political oppression)
- b. Activities that damage the environment by extraction of fossil fuels, destruction of habitat, or creation of pollutants
- c. Socially harmful activities (e.g., tobacco, gambling)
- d. Manufacture of weapons

If information is received that alerts the Council that a current investment is with a company whose cores activities pose risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council’s mission and values (even if the core activities have changed during the investment), the Council will aim to divest at the earliest possible opportunity from that company, and will not extend any current investments.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit & Standards Committee

From: Finance Manager – Treasury
Strategic Director – Corporate Resources

Subject: Treasury Management Strategy Statement 2025/26

1. Purpose of Report

- 1.1. The Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services (the Code) require Council's to "have regard to" the Prudential Code and to set Prudential Indicators for the forthcoming 3 years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2. Regulations also require an Annual Investment Strategy, Treasury Management Strategy and Minimum Revenue Provision (MRP) Policy to be approved.

2. Recommendations

- 2.1. That Cabinet recommend to Council the approval of the Treasury Management Strategy Statement including all Prudential Indicators, the MRP policy and Annual Investment Strategy.

3. **The Prudential System for Capital Finance**

- 3.1. The Council is required to manage its treasury and capital expenditure activities under a National Code. The main aims of the system are to ensure that:
 - 3.1.1. Capital investment plans of local authorities are affordable and sustainable;
 - 3.1.2. Treasury management decisions are taken in accordance with best professional practice; and
 - 3.1.3. Financial planning and asset management are integrated into the Council's overall corporate planning arrangements.

Treasury Management Strategy

- 3.2. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 3.3. The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.
- 3.4. Treasury operations are measured within a set of prudential indicators (Appendix 1). The main purpose of these indicators is to provide the limits and benchmarks to

control the level of capital expenditure, borrowing and investment. The Council is expected to operate comfortably within these limits.

- 3.5. The Prudential System allows councils the freedom to borrow on a prudential basis. Any new borrowing must be accommodated within any maximum debt limits or caps set by Central Government and the Council must demonstrate that it can afford to service and repay the debt within its financial plans.
- 3.6. The Strategy aims to provide transparency for treasury decisions including the use of counterparties, together with assessing how risk is managed on a day- to-day basis.
- 3.7. The Council has more capital investment in 2025/26 General Fund capital programme which will be funded by internal borrowing and paid off over the asset's useful life on an annuity.
- 3.8. A review of CFR was undertaken by the Council's Finance Manager (Treasury). A reconciliation exercise was successfully undertaken which has subsequently been used to calculate MRP over the medium term.
- 3.9. The Strategy is set out in Appendix 1

Prudential Indicators

- 3.10. As above, the prudential indicators consider the affordability and impact of capital expenditure plans and set out the Council's overall capital framework.
- 3.11. The CIPFA codes require a prescribed set of prudential indicators to be produced annually and monitored throughout the year. The indicators required under the regulations are set out along with explanations in Appendix 1.

Minimum Revenue Provision Policy

- 3.12. MRP statement provides details on the amount charged to revenue for the repayment of internal debt over the capital programme. The MRP Policy is at Appendix 1.

Annual Investment Strategy

- 3.13. CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. Appendix 1 deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, will be covered in the Capital Strategy which is in the process of collation.

4. Financial Implications

- 4.1. The report sets out the annual update of the core strategies which underpin the Council's approach to managing its capital investment.

5. Conclusion

5.1. The Assistant Director – Finance with the support of Finance Manager (Treasury) and Link Asset Services, will monitor economies in the UK and overseas, regularly review the debt portfolio and the creditworthiness of individual institutions, utilising a methodology which does not rely solely on credit ratings to ensure that any investments made are with countries and institutions that are deemed of high credit quality to reduce the risk of loss of principal invested.

6. Appendices

6.1. Appendix 1 – Treasury Management Strategy Statement 2025/26

7. Background Papers

7.1. None

Appendix 1

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

Nuneaton and Bedworth Borough Council
2025/26

INDEX

Key Considerations	6
1.1 Background	9
1.2 Reporting Requirements	9
1.3 Treasury Management Strategy for 2025/26	10
1.4 Training.....	11
1.5 Treasury Management Consultants	12
2. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28	13
2.1 Capital Expenditure and Financing	13
2.2 The Council’s Borrowing Need (the Capital Financing Requirement).....	13
2.3 Liability Benchmark.....	14
2.4 Minimum Revenue Provision (MRP) Policy Statement	15
3. BORROWING	17
3.1 Current Portfolio Position	17
3.2 Treasury Indicators: Limits to Borrowing Activity	18
3.3 Prospects for Interest Rates	19
3.4 Borrowing Strategy	21
3.5 Policy on Borrowing in Advance of Need.....	22
3.6 Rescheduling.....	22
3.7 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing	22
3.8 Approved Sources of Long and Short-term Borrowing.....	22
4 ANNUAL INVESTMENT STRATEGY.....	24
4.1 Investment Policy – Management of Risk	24
4.2 Creditworthiness Policy	26
4.3 Limits	Error! Bookmark not defined.
4.4 Investment Strategy	28
4.5 Investment Performance / Risk Benchmarking	29
4.6 End of Year Investment Report	29
5 APPENDICES	30
5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2027/28 ...	31
5.2 INTEREST RATE FORECASTS 2024-2027	32
5.3 ECONOMIC BACKGROUND (to 12 th December 2024).....	33
5.4 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT	37
5.6 APPROVED COUNTRIES FOR INVESTMENTS	39
5.7 TREASURY MANAGEMENT SCHEME OF DELEGATION.....	41
5.8 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER	42

Key Considerations

2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework

CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The revised Treasury Management Code required all investments and investment income to be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. A Local Authority must not borrow to invest primarily for financial return.

The revised Treasury Management Code requires an authority to implement the following: -

1. **Adopt a liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of 10 years, with material differences between the liability benchmark and actual loans to be explained;
2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority;
5. **Reporting to members is to be done quarterly**. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report

performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;

6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

The main requirements of the Prudential Code relating to service and commercial investments are: -

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services;
2. An authority must not borrow to invest for the primary purpose of commercial return;
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose;
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream;
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

An authority's Capital Strategy or Annual Investment Strategy should include: -

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information

contained in them will need to be periodically re-evaluated to inform the authority's overall strategy);

6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

As this TMSS and AIS deals solely with treasury management investments, the categories of service delivery and commercial investments should be addressed as part of the Capital Strategy report.

However, as investments in commercial property have implications for cash balances managed by the treasury team, it will be for each authority to determine whether to add a high level summary of the impact that commercial investments have, or may have, if it is planned to liquidate such investments within the three year time horizon of this report, (or a longer time horizon if that is felt appropriate).

1.1 Background

Nuneaton and Bedworth borough Council is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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

The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

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

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

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Council's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report)
 - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)

- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Council will receive quarterly update reports.

- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by the Audit and Standards Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by Audit and Standards Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

1.3 Treasury Management Strategy for 2025/26

The strategy for 2025/26 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling

- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

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

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Treasury management Training was provided by the Council’s Treasury Advisors in January 2025 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed, and staff are provided training as required.

A formal record of the training received by officers central to the Treasury function will be maintained by Finance Manager - Treasury. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Finance Manager - Treasury.

1.5 Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2. THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans are prudent, affordable and sustainable.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. The Capital expenditure and HRA business plan are still being finalised, and the figures below are based on the current information. An update will be sent to Council if required.

Members are asked to approve the capital expenditure forecasts: -

Capital expenditure £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Non-HRA	24.25	38.49	36.64	10.29	6.24
HRA	17.34	22.08	15.90	11.69	11.69
Total	41.59	60.57	52.51	21.98	17.93

Other long-term liabilities - the above financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

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

Financing of capital expenditure £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital receipts	0.11	0.10	0.00	0.00	0.00
Capital grants	17.37	28.73	22.05	5.13	5.13
Capital reserves	8.72	1.76	1.69	0.29	0.29
Revenue	3.89	21.08	13.16	12.56	12.51
Net financing need for the year	11.50	8.90	15.61	4.00	0.00

2.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement,

these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital Financing Requirement					
Non-HRA	16.06	24.46	35.93	39.20	38.19
Housing	92.93	92.93	96.54	96.54	96.54
Total CFR	108.99	117.39	132.46	135.46	134.72
Movement in CFR	10.85	8.40	15.08	3.28	(1.02)

Movement in CFR represented by					
Net financing need for the year (above)	11.50	8.90	15.61	4.00	0.00
Less MRP/VRP and other financing movements	(0.65)	(0.50)	(0.53)	(0.72)	(1.02)
Movement in CFR	10.85	8.40	15.08	3.28	(1.02)

External borrowing £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Service spend	0.0	0.00	0.00	0.00	0.00
Housing	16.0	10.00	13.61	10.00	10.00
Regeneration	0.0	8.90	12.00	4.00	0.00
Preventative action	0.0	0.00	0.00	0.00	0.00
Projects for yield	0.00	0.00	0.00	0.00	0.00
TOTAL	16.0	18.90	25.61	14.00	10.00

External borrowing £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Treasury Management	16.0	18.90	27.61	22.15	11.00

2.3 Liability Benchmark

The Council is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Council's gross loan debt less treasury management investments at the last financial year-end, projected into

the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 Minimum Revenue Provision (MRP) Policy Statement

The Council is recommended to approve the following MRP Statement:

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

Example approach:

- 4% reducing balance (regulatory method) - MRP will follow the historical practice outlined in former regulations as 4% of the opening GF CFR balance less adjustment A; or

From 1 April 2008 for all unsupported borrowing the MRP policy will be (amend as appropriate):

- Asset life method (annuity)

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure finance by debt was incurred.

Capital expenditure financed by borrowing in 2024/25 will not be subject to an MRP charge until 2025/26, or in the financial year following the one which the asset first becomes available for use.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

The Council has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

Capital loans

The Council has not issued capital loans that are categorised as commercial/non-commercial and has therefore chosen to not apply MRP. If this changes, a MRP policy will be submitted to Cabinet and Council for review.

Capital receipts

For capital expenditure on loans to third parties where the principal element of the loan has been repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged as follows:

The annual capital amount is charged to MRP excluding any interest accrued.

Share Capital

Where the Council incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an authority to provide MRP of 20 years.

MRP on Borrowing for Shares is calculated over 20 years unless there are valid reasons to reduce this length. If Shares are brought to ensure Council maintains partial control over an asset, then the maximum length of the MRP is linked to the remaining asset lifespan or 20 years (whichever is shorter).

MRP Overpayments

Under the MRP guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP).

Any overpayments must be allocated to an asset, rather than the CFR as a whole. Any VRP payments will be used to recalculate the CFR of the asset being paid against, and will change the future MRP of that asset.

3. BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31.3.24 and for the position as at 31.12.24 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	actual	actual	current	current
	31.3.24	31.3.24	31.12.24	31.12.24
	£000	%	£000	%
Treasury investments				
Banks	2,556	9%	6,491	18%
Building societies - unrated	0	0%	0	0%
Building societies - rated	0	0%	0	0%
Local authorities	13,000	46%	20,000	56%
DMADF (H.M.Treasury)	0	0%	0	0%
Money Market Funds	11,000	39%	7,350	21%
Certificates of Deposit	0	0%	0	0%
Total managed in house	26,556	93%	33,841	94%
Bond Funds	0	0%	0	0%
Property Funds	2,000	7%	2,000	6%
Total managed externally	2,000	7%	2,000	6%
Total treasury investments	28,556	100%	35,841	100%
Treasury external borrowing				
Local Authorities	0	0%	0	0%
PWLB	70,705	97%	60,705	97%
LOBOs	2,000	3%	2,000	3%
Total external borrowing	72,705	100%	62,705	100%
Net treasury investments / (borrowing)	-44,149	0	-26,864	0

The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
External Debt					
Debt at 1 April	64.21	72.71	81.61	97.22	109.37
Expected change in Debt	8.50	8.90	15.61	12.15	0
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0

Actual gross debt at 31 March	72.71	81.61	97.22	109.37	109.37
The Capital Financing Requirement	108.99	117.39	132.46	135.46	134.72
Under / (over) borrowing	36.28	35.78	35.24	26.09	25.35

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Strategic Director of Corporate Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt	115.0	125.0	135.0	145.0
Other long-term liabilities	2.0	2.0	2.0	2.0
Total	117.0	127.0	137.0	147.0

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit £m	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Debt	140.0	156.0	162.0	160.0
Other long-term liabilities	4.0	4.0	4.0	4.0
Total	144.0	160.0	166.0	164.0

3.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 11 November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Additional notes by Link on this forecast table: -

- Following the 30 October Budget, the outcome of the US Presidential election on 6 November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7 November, we have significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.
- If we reflect on the 30 October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.
- The anticipated major investment in the public sector, according to the Bank, is expected to lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.
- There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises, and a tepid GDP performance.
- Our central view is that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. We forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).

- Any movement below a 4% Bank Rate will, nonetheless, be very much dependent on inflation data in the second half of 2025. The fact that the November MPC rate cut decision saw a split vote of 8-1 confirms that there are already some concerns around inflation's stickiness, and with recent public sector wage increases beginning to funnel their way into headline average earnings data, the market will be looking very closely at those releases.
- Regarding our PWLB forecast, the short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to digest if the interest rates paid provide sufficient reward for that scenario.
- So far, we have made little mention of the US President election. Nonetheless, Donald Trump's victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts and an expansion of the current US budget deficit. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East and Asia.
- Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps).

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 11.11.24 p.m.	Target borrowing rate now (end of Q3 2026)	Target borrowing rate previous (end of Q3 2026)
5 years	5.02%	4.30%	3.90%
10 years	5.23%	4.50%	4.10%
25 years	5.66%	4.90%	4.40%
50 years	5.42%	4.70%	4.20%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has been increased to 3.25% (from 3%). As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve and short-dated fixed LA

to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now	Previously
2024/25 (residual)	4.60%	4.25%
2025/26	4.10%	3.35%
2026/27	3.70%	3.10%
2027/28	3.50%	3.25%
2028/29	3.50%	3.25%
Years 6 to 10	3.50%	3.25%
Years 10+	3.50%	3.50%

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

3.4 Borrowing Strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2025 even if some rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Strategic Director of Corporate Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

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

The Council plans to manage externalising its internal debt whilst monitoring the interest rates to ensure sufficient cashflows are available. Decisions over whether short-term debt should be taken whilst the Council waits for the interest rate to drop or to fix the interest rate will be taken on a case by case basis.

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

If rescheduling is to be undertaken, it will be reported to the Cabinet the earliest meeting following its action.

3.7 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

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

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

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	✓	✓
UK Municipal Bond Agency	✓	✓
Local Authorities	✓	✓
Banks	✓	✓
Pension Funds	✓	✓
Insurance Companies	✓	✓

UK National Wealth Fund	✓	✓
Market (long-term)	✓	✗
Market (temporary)	✓	✗
Market (LOBOs)	✓	✗
Stock Issues	✓	✓
Local Temporary	✓	✗
Local Bonds	✓	
Local Authority Bills	✓	✗
Overdraft		✓
Negotiable Bonds	✓	✗
Internal (capital receipts & revenue balances)	✓	✓
Commercial Paper	✗	
Medium Term Notes	✗	
Finance Leases	✓	✓

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council’s investment policy has regard to the following: -

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from MHCLG and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in

Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of 50%.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. This Council will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This Council has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the over-ride to **31.3.25** was agreed by Government.

However, this Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

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

1. "watches" and "outlooks" from credit rating agencies;
2. CDS spreads that may give early warning of changes in credit ratings;
3. sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks, in a weighted scoring system which is then combined with an overlay of CDS spreads. The end-product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

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

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

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in the downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long-term rating where applicable)	Money and/or % limit	Transaction limit	Time limit
Banks *	Yellow	£10m	£10m	5yrs
Banks	Purple	£10m	£10m	2 yrs
Banks	Orange	£10m	£10m	1 yr
Banks – part nationalised	Blue	£10m	£10m	1 yr
Banks	Red	£2m	£2m	6 mths
Banks	Green	£2m	£2m	100 days
Banks	No Colour	Not to be used	N/A	
Limit 3 category – Council’s banker (where “No Colour”)	No Colour	£2m	£2m	1 day
Other institutions limit	-	As per above	As per above	As per above
DMADF	UK sovereign rating	unlimited	unlimited	6 months
Local authorities	n/a	£10m	£10m	1yrs
Housing associations	Colour bands	£10m	£10m	As per colour band
	Fund rating**	Money and/or % Limit		Time Limit
Money Market Funds CNAV	AAA	£10m	£10m	Liquid
Money Market Funds LVNAV	AAA	£10m	£10m	Liquid
Money Market Funds VNAV	AAA	£10m	£10m	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	£8m	£8m	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	£8m	£8m	liquid

Creditworthiness.

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Council will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Limits

Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being 50% of the total treasury management investment portfolio.
- b. **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5.6. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no more than 10% will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.3 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that the risks are relatively balanced between Bank Rate staying higher for longer, if inflation picks up markedly through 2025 post the 30 October 2024 Budget, or it may be cut quicker than expected if the economy stagnates. The economy only grew 0.1% in Q3 2024, but the CPI measure of inflation is now markedly above the 2% target rate set by the Bank of England's Monetary Policy Committee two to three years forward.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.5%.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	Now		Previously
2024/25 (residual)	4.60%		4.25%
2025/26	4.10%		3.35%
2026/27	3.70%		3.10%
2027/28	3.50%		3.25%
2028/29	3.50%		3.25%
Years 6 to 10	3.50%		3.25%
Years 10+	3.50%		3.50%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, (overnight to 100 days), in order to benefit from the compounding of interest.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit: -

Upper limit for principal sums invested for longer than 365 days			
£m	2025/26	2026/27	2027/28
Principal sums invested for longer than 365 days	£10m	£5m	£2m
Current investments as at 31.12.24 in excess of 1 year maturing in each year	£0m	£0m	£0m

4.4 Investment Performance / Risk Benchmarking

This Council will use an investment benchmark to assess the investment performance of its investment portfolio against the 7 day SONIA rates.

4.5 End of Year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

5 APPENDICES

1. Prudential and treasury indicators
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 151 officer

5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2025/26 – 2027/28

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

5.1.1 Capital Expenditure

Capital expenditure £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Business and Regeneration	15.24	18.76	9.03	0.00	0.00
Resources and Customer Services	0.35	0.30	0.10	0.10	0.10
Housing	6.09	8.45	5.27	5.27	5.27
Planning and Enforcement	0.14	0.00	0.00	0.00	0.00
Leisure, Community and Health	0.93	10.89	22.19	4.88	0.83
Miscellaneous Projects	1.50	0.10	0.05	0.05	0.05
Non-HRA	24.25	38.49	36.64	10.29	6.24
HRA	17.34	22.08	15.87	23.42	11.69
Total	41.59	60.57	52.51	33.71	17.93

5.1.2 Maturity Structure of Borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits: -

Maturity structure of fixed interest rate borrowing 2025/26		
	Lower	Upper
Under 12 months	0%	35%
Up to 2 years	0%	40%
Up to 5 years	0%	50%
Up to 10 years	0%	60%
Up to 20 years	0%	70%
Up to 30 years	0%	80%
Up to 40 years	0%	90%
Up to 50 years	0%	100%
Maturity structure of variable interest rate borrowing 2025/26		
	Lower	Upper
Under 12 months	0%	35%
Up to 2 years	0%	40%
Up to 5 years	0%	50%
Up to 10 years	0%	60%
Up to 20 years	0%	70%
Up to 30 years	0%	80%
Up to 40 years	0%	90%
Up to 50 years	0%	100%

5.1.3. Control of Interest Rate Exposure

Please see paragraphs 3.3, 3.4 and 4.4.

5.2 INTEREST RATE FORECASTS 2024-2027

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

PWLB forecasts are based on PWLB certainty rates.

5.3 ECONOMIC BACKGROUND (to 12th December 2024)

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.

Over the aforementioned period, the economy's stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy's performance has been the negative market sentiment in respect of the fallout from the Chancellor's Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump’s inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank’s August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8,304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any

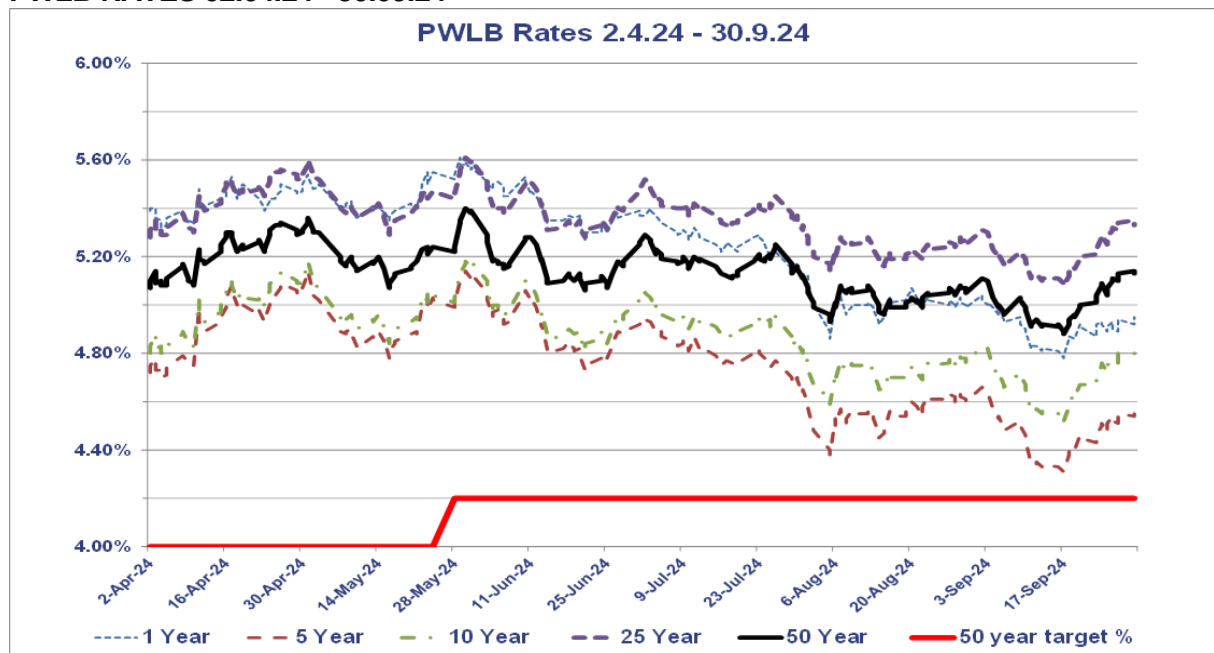
further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

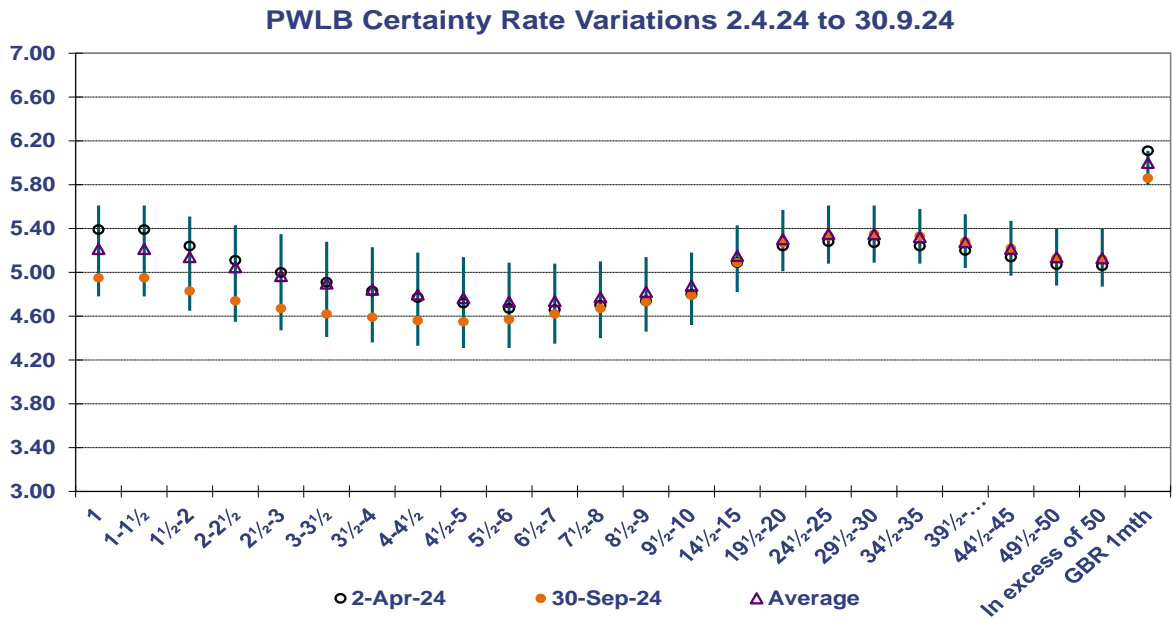
MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

PWLB RATES 02.04.24 - 30.09.24





HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
30/09/2024	4.95%	4.55%	4.79%	5.33%	5.13%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
High date	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
Average	5.21%	4.76%	4.88%	5.35%	5.14%
Spread	0.83%	0.83%	0.66%	0.53%	0.52%

5.4 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Corporate Resources has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are for the Council to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality (such as a bank or building society This category covers bodies with a minimum Short-Term rating of AA- (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

In accordance with the Code, the Council has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are a maximum of £10m per organisation and with organisations that meet the Treasury Management Staff's

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non-specified investments would include any sterling investments with: -

	Non-Specified Investment Category	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral Development Bank bonds - These are bonds defined as an international financial institution having as one of its objectives economic development, either generally or in any region of the world (e.g., European Reconstruction and Development Bank etc).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g., National Rail)</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	<p>AAA long term ratings</p> <p>£10m</p>
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	£10m
c.	<p>The Council's own banker if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	£2m
d.	<p>Building Societies not meeting the basic security requirements under the specified investments. The operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Council may use such building societies which have a minimum asset size of £100m, but will restrict these types of investments to under 1 year.</p>	£2m
e.	<p>Any Bank or Building Society that has a minimum long-term credit rating of AA-, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	£10m
f.	<p>Any Non-Rated Subsidiary of a credit rated institution included in the specified investment category. These institutions will be included as an investment category subject to a guarantee from a parent company, the investment must be under 1 year, and the subsidiary must be UK based.</p>	£2m
g.	<p>Share Capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an</p>	£2m

	application (spending) of capital resources. Revenue resources will not be invested in corporate bodies. See note 1 below.	
h.	Other fund: The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Council will seek guidance on the status of any fund it may consider using and will update Cabinet before any use of a new style of fund.	

NOTE 1. This Council will seek further advice on the appropriateness and associated risks with investments in these categories.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Resources, and if required new counterparties which meet the criteria will be added to the list.

5.5 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating (as at 25.11.24)

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium

- France
- **U.K.**

5.6 TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Standards Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5.7 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following :-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

AGENDA ITEM NO.13d

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Audit and Standards Committee – 4th February 2025

From: Assistant Director – Democracy & Governance

Subject: Contract Procedure Rules – February 2025 Update

1. Purpose of Report

1.1. The purpose of this report is to note the proposed changes to the Contract Procedure Rules considering the changes in procurement law, then to recommend to Full Council for formal approval in order to change and update the Constitution.

2. Recommendations

2.1. To note the proposed changes to the Contract Procedure Rules; and

2.2. IT BE RECOMMENDED TO COUNCIL that the Constitution be amended accordingly.

3. Background

3.1. Under section 135 of the Local Government Act 1972, a local authority may make standing orders (or as defined by this Council, Contract Procedure Rules) with respect to the making of contracts by them or on their behalf for the supply of goods or materials or for the execution of works. The current Contract Procedure Rules (CPR's) have been in place since February 2024 following Audit and Standards approval (granted January 2024) and Full Council approval (granted February 2024).

4. Body of the report

4.1. The Council has continued to prepare for the incoming procurement regulation changes as mandated by the Procurement Act 2023. Due to the changes, there has been a need to review the CPR's to ensure they align with the new legislation and regulation.

4.2. Appendix A include the revised CPR's for review and approval.

4.3. The CPR's form part of the Constitution at Part 4 – Rules of Procedure, 4G Contract Procedure Rules.

4.4. As set out in the Audit and Standards report dated January 2024, the Procurement Act 2023 received Royal Assent on 26 October 2023 and is due to come into force on 24th February 2025. Following the UK's exit from the EU, the UK Government deposited its Instrument of Accession to join the World Trade Organisation's (WTO) Agreement on Government Procurement (GPA) becoming an independent member when the transition period ended on 31 December 2020. This guarantees access to £1.3 trillion in overseas public procurement markets providing major export opportunities for British businesses. Due to the UK's commitment to the GPA and following the UK's departure from the EU, the UK can create its own legislative framework working in accordance with the principles of the GPA:

- a) Fairness
- b) Impartiality
- c) Transparency
- d) Non-discrimination

4.5. The Procurement Act intends to comprehensively streamline and simplify the complex framework of regulations that currently govern public procurement by creating a new legislative framework for UK public procurement. The key things to note regarding the new Procurement Act, which have been incorporated into the drafted CPR's:

- a) Four regimes brought into one new Act
- b) New procedures will see procurements completed in a more agile way
- c) There will be a duty on authorities to consider carving up contracts into smaller 'lots'
- d) More information will need to be shared publicly about procurements and suppliers
- e) Provisions to ensure prompt payment across the supply chain
- f) Introduction of a new oversight body
- g) New 'remedies regime' to deal with procurement challenges
- h) Increased data collection, with a wide range of notices required
- i) Implied terms to promote compliance with the Act
- j) Exclusion and debarment
- k) Greater transparency in relation to contract modifications (variations)

4.6. The draft CPR's proposed and attached to this report have been consulted on with Officers internally, namely the Council's Senior Leadership Team. The key changes compared to the current CPR's are set out below.

Existing	Proposed Recommended Changes
<p>The current CPR's are not in a clear structure so it can be difficult for officers to read and follow the CPR's.</p>	<p>The current draft has been divided into sections (as below) and mirrored to follow the flow of a procurement process. This will provide a clearer structure and flow to the CPR's allowing all officers to quickly and easier identify a specific procedure rule depending on the stage of the procurement cycle. Section B, C, D and E follow the new Cabinet Office defined 'The Procurement Pathway'.</p> <p>Section A – Introduction and Scope Section B – Plan Section C – Define Section D – Procure Section E – Manage Section E – General Section F – Exemptions Section G – Glossary</p>
<p>Partnering</p> <p>This was limited in detail previously and failed to make it clear that a joint venture and/or a public-private partnership (PPP's) is bound by the Procurement legislation and therefore in scope of the CPR's.</p>	<p>(See page 6 Procedure Rule 3).</p> <p>The procedure rule has been included in Section A – Introduction and Scope to clarify. It also contains some industry examples when partnering arrangements are generally seen.</p>
<p>KPI's</p> <p>There was limited detail in the current CPR's regarding KPI's and supplier performance management.</p>	<p>(See page 10 and 11 Procedure Rule 9).</p> <p>The new legislation requires more transparency and accountability from public sector organisations as part of the procurement lifecycle, including contract management. For the first time, KPIs will be legislated for in UK public procurement legislation.</p> <p>From February 2025, any new contract awarded under the new regime with an estimated value of more than £5 million, section 52(1) generally requires that a contracting authority must set at least three KPIs in respect of the contract. The contracting authority must then publish the KPI's and the supplier's performance against the KPI's. This is a legislative requirement so feedback for this item it so clarify whether the procedure rule is clear and it makes sense to officers.</p>
<p>Supplier Performance Monitoring (in addition to KPI's above)</p> <p>Whilst the current CPR's have information regarding contract management, it is limited in detail.</p>	<p>Please also see 19.3 Supplier Performance Monitoring (page 30 and 31).</p> <p>Due to the new KPI requirement as per the row above, an additional section has been included under the Contract Management procedure rule to provide additional information and guidance for officers. This is a legislative requirement so feedback for this item is to clarify whether the procedure rule is clear and it makes sense to officers.</p> <p>Furthermore, we would appreciate your feedback in terms of the use of Dash and PowerBi to centrally report supplier performance KPI's as a tool to track and monitor KPI performance of suppliers when a</p>

	<p>contract is estimated above £5m.</p> <p>The procedure rule also reiterates the responsibilities of a Principal Contract Officer to ensure the Council manages its contracts effectively.</p>
<p>Social Value</p> <p>The current CPR's doesn't have a dedicated Procedure Rule regarding social value. Its referenced within other procedure rules.</p>	<p>(See page 11 Procedure Rule 10).</p> <p>A new procedure rule related to Social Value so it's not diluted within another procedure rule. It is important to note as per the Public Services (Social Value) Act 2012, there is an obligation to consider social value.</p> <p>We are seeing more public sector bodies accounting for social value as part of the evaluation criteria in tenders/quotes and it is recognised as best practice. Central Government mandate 10% towards social value.</p> <p>We have therefore proposed for goods and/or services quotations or tenders above the UK procurement threshold (£214k including VAT) and £500,000 (NET) for works quotations or tenders must be earmarked for social value purposes.</p>
<p>Closed quotations</p> <p>Means procurements below the UK threshold not via a framework agreement where a pre-selected list of suppliers is chosen by the Council and they are invited. So it isn't openly advertised.</p> <p>No approval was required previously, this was subject to the Procurement Officer and service area.</p>	<p>(See page 15,16 and 17 Procedure Rule 14 (14.4)).</p> <p>Guidance states that for below threshold procurements, contracting authorities may have flexibility and refer to their own rules. So, the proposal is to retain this option but in accordance with Procedure Rule 14. but approval must be sought and given from the Procurement Service Manager and/or Assistant Director – Democracy and Governance where it is intended to undertake a closed quotation process.</p> <p>Where approval is sought, which will end up being the exception rather than the rule, will require at least 5 interested bidders to be invited and the same bidders cannot be asked for similar requirements due to risk of service delivery in the event of supplier failure but to also ensure suitable competition.</p>
<p>Advertising Requirements including Procurement Notices</p> <p>Limited detail in the current CPR's as it is a legislative requirement and included in the procurement teams process</p>	<p>(See page 20, 21 and 22 Procedure Rule 14 (14.9)).</p> <p>Due to the magnitude of changes in relation to the transparency of data and requirement to publish notices (certainly in relation to contract award and contract management), this has been included in full until a time when both service areas and the procurement team are 100% comfortable with the new regime and requirements placed on the Council because of the new legislation.</p>
<p>Anonymised opening records</p> <p>The current CPR's are silent on this but it's a practice the Procurement Team currently implement to mitigate risk of bias for the</p>	<p>(See page 22 Procedure Rule 15 (15.3)).</p> <p>Inclusion in the CPR's provides the statute for the procurement team to do this and protect both the Council and Officers from claims of bias in the event a</p>

<p>purposes of the evaluation process.</p>	<p>bidder feels they have been treated unfairly. The process helps mitigate risk of challenge and having it documented in the procedure rules adds more gravitas.</p>
<p>Contract Management</p> <p>1. Principal Contract Officer</p> <p>This was contained in the current CPR's but was light on information.</p> <p>2. Contract variations</p> <p>This was contained in the current CPR's but was light on information.</p>	<p>Principal Contract Officer</p> <p>(See page 27 and 28 Procedure Rule 19 (19.1)).</p> <p>Additional information (responsibilities and guidance) has been provided to reiterate the actions and responsibilities of the lead officer. This makes it absolutely clear what responsibilities a principal contract officer has in relation to their contract and procurement activity.</p> <p>Contract Variations</p> <p>(See page 28, 29 and 30 Procedure Rule 19 (19.2)).</p> <p>Due to the magnitude of changes in relation to the transparency of data and contract variations, this has been included in full until a time when both service areas and the procurement team are 100% comfortable with the new regime and requirements placed on the Council as a result of the new legislation. Furthermore, providing in full provides the clarity for Principal Contract Officers regarding the tests associated with a contract variation for it to be deemed compliant or not. Advice must always be sought but officers may wish to have the information readily available for ease prior to considering a contract variation.</p>
<p>Conflicts of Interest</p> <p>This was already contained in the current CPR's and was clear</p>	<p>(See page 32 and 33 Procedure Rule 21).</p> <p>A key change to the new procurement regulations requires the contracting authority to undertake frequent and regular checks for any conflicts of interest throughout the procurement process and to maintain a record.</p> <p>This has therefore been updated to confirm this.</p>

5. Appendices

Appendix A – Contract Procedure Rules

6. Background Papers (if none, state none)

None.

MATTHEW WALLBANK

Nuneaton & Bedworth



CONTRACT PROCEDURE RULES (CPR's)

Contents

Section A – Introduction and Scope	3
1. PROCEDURE RULE 1: Introduction	3
2. PROCEDURE RULE 2: Scope	4
3. PROCEDURE RULE 3: Partnering	6
Section B – Plan	7
4. PROCEDURE RULE 4: Steps Prior To Purchase	7
5. PROCEDURE RULE 5: Long Term Arrangements	8
6. PROCEDURE RULE 6: Transfer Of Undertakings (Protection Of Employment) Regulations 2006	9
7. PROCEDURE RULE 7: Preliminary Market Engagement	9
Section C – Define	10
8. PROCEDURE RULE 8: Specification	10
9. PROCEDURE RULE 9: Key Performance Indicators	11
10. PROCEDURE RULE 10: Social Value	11
11. PROCEDURE RULE 11: Award Criteria	11
12. PROCEDURE RULE 12: Contract Documents, Signing and Sealing	12
13. PROCEDURE RULE 13: Liquidated Damages, Bonds And Parent Company Guarantees	14
Section D – Procure	15
14. PROCEDURE RULE 14: Procurement Process, Advertising Requirements and Procurement Notices	15
15. PROCEDURE RULE 15: Receipt And Opening Of Tenders/Quotations	23
16. PROCEDURE RULE 16: Evaluation, Award and Debriefing Suppliers	23
17. PROCEDURE RULE 17: Post Tender Negotiation	25
18. PROCEDURE RULE 18: Records	25
Section E – Manage	27
19. PROCEDURE RULE 19: Contract Management	27
20. PROCEDURE RULE 20: Extensions Of Existing Contracts	31
21. PROCEDURE RULE 21: Conflict of Interest	32
22. PROCEDURE RULE 22: Gifts and Hospitality (Corruption and Bribery)	33
23. PROCEDURE RULE 23: Freedom Of Information Act 2000 Exemptions	34
Section F – Exemptions	35
24. PROCEDURE RULE 24: Exemptions	35
Section G – Glossary	37

Section A – Introduction and Scope

1. PROCEDURE RULE 1: Introduction

- 1.1. Contract Procedure Rules (CPR's) are permitted in accordance with section 135 of the Local Government Act 1972, to make standing orders with respect to the making of contracts by them and on their behalf, for the supply of goods, services and/or for the execution of works.
- 1.2. As a public sector organisation that is funded and uses public resources, the Council must set and follow the highest standards of financial control and stewardship to ensure effective governance. Contract Procedure Rules provide Officers and Members with procedures to follow to ensure that the required standards are met. The CPR's are consistent with procurement legislation designed to ensure that the Council achieves value for money and social value, that it complies with statutory requirements, that its affairs are prudently managed and properly controlled. Any permission to waive a procedure rule is outlined in Procedure Rule 24, otherwise known as an Exemption.
- 1.3. The purpose of these Procedure Rules are to:-
 - a) Ensure that the Council promotes the probity and integrity of the procurement process;
 - b) Provide employees involved in the procurement process a framework within which to work;
 - c) Ensure fairness in allocating contracts and protect employees from allegations of corruption and/or collusion from suppliers and contractors;
 - d) Promote public accountability;
 - e) Ensure transparency;
 - f) Ensure compliance with all legal requirements;
 - g) Achieve value for money on behalf of the Council; and
 - h) Support and deliver the Council's corporate aims and objectives.
- 1.4. Procedure rules must be complied with strictly. They are minimum requirements and any instances of non-compliance may result in disciplinary action being taken as a breach of legislation, statute and the Constitution. From an operational perspective, failure to comply with the procurement legislation will result:
 - a) in the contract being deemed ineffective (terminated);
 - b) in the contract term being shorted;
 - c) in a financial penalty for the Council.
- 1.5. Any consultant, agent, project manager or contractor acting on behalf of the Council who undertakes a procurement which results in the Council appointing a supplier, must also comply with these Procedure Rules and this must be a condition of their employment.

1.6. Contracts let on behalf of a consortium, association or similar body of which the Council is a member should comply with the rules of the body or lead authority.

1.7. The amounts £A to £D in these Procedure Rules have the initial values given to them as follows:-

£A = £7,500

£B = £25,000

£C = £125,000

£D = £3,500,000

1.8. All monetary values included in these Procedure Rules relate to the total value of the contract or framework agreement (Lifetime Contract Value) including extension options and shall be deemed to exclude any Value Added Tax applicable unless otherwise stated.

1.9. The Strategic Director – Corporate Resources is designated as the responsible officer in accordance with Section 151 of the Local Government Act 1972 (for the proper administration of the Council's financial affairs) and the designated officer in accordance with Section 114 of the Local Government Finance Act 1988 (incurring of unlawful expenditure) and is referred to in these Procedure Rules as the Chief Financial Officer.

1.10. The Chief Financial Officer shall review all monetary limits annually and any amendments, if appropriate having regard to inflation and other relevant factors, shall be reported to the Senior Leadership Team then the Audit and Standards Committee for consideration with a recommendation to Council for approval and adoption.

1.11. References to the Chief Financial Officer shall include other employees authorised to undertake duties on behalf of the Chief Financial Officer such as the Deputy Chief Financial Officer (Assistant Director – Finance).

1.12. References to the Monitoring Officer shall include other employees authorised to undertake duties on behalf of the Monitoring Officer such as the Deputy Monitoring Officer (Elections and Democratic Services Manager).

1.13. Questions of interpretation of these Contract Procedure Rules should be referred to the Monitoring Officer, the Procurement Service Manager, the Procurement Team and/or the Chief Financial Officer.

2. PROCEDURE RULE 2: Scope

2.1. These Contract Procedure Rules relate to any arrangement made by, or on behalf of, the Council for the execution of work or for the provision of

goods and/or services. These include but not limited to arrangements for:-

- a) The supply or disposal of goods;
- b) Hire, rental or lease of goods or equipment;
- c) Execution of works such as new build, construction works, demolition and/or refurbishment works;
- d) The delivery of services including those relating to the recruitment of temporary staff, professional and consultancy services; and
- e) Service Concessions and Work Concessions as defined by [Part 1 Key Definitions of the Procurement Act 2023](#).

2.2. These Procedure Rules do not apply to:-

- a) The employment of permanent staff;
- b) Land and building agreements, broadcasting agreements, electronic communication services, alternative dispute resolution services, legal representation services and financial lending as defined in Schedule 2 Exempted Contracts [Part 2 of the Procurement Act 2023](#);
- c) Grants* from the Council (except where they are to buy services); and
- d) Any other requirements that fall in scope of Schedule 2 Exempted Contracts [Part 2 of the Procurement Act 2023](#) with the exception of Vertical and Horizontal arrangements.

**grants issued by the Council are subject to the Financial Procedure Rules.*

2.3. The use of e-procurement technology and Purchasing Cards does not negate the requirement to comply with all elements of these Contract Procedure Rules.

2.4. Officers and the Procurement Team must note these CPR's are intended to go live in February 2025 which is when the new Procurement Act will officially go live (24th February 2025). The fundamental principle is that procurements that commence (the date a tender is launched) after the entry into force of the Act (24th February 2025) must be conducted by reference to the Act only, whilst those that were commenced under the previous legislation (the Public Contracts Regulations 2015 (PCR), the Utilities Contracts Regulations 2016 (UCR), the Concession Regulations 2016 (CCR) and the Defence and Security Public Contracts Regulations 2011 (DSPCR)) must continue to be procured and managed under that legislation.

2.5. Any contracts awarded under the previous legislation will continue to be managed under that legislation until such a time as the contract, or commercial tool ceases to exist. This means that in respect of modifications, for example, contracting authorities can only modify contracts awarded under the previous legislation using provisions set out at regulation 72 of the PCR, regulation 88 of the UCR and regulation 43 of the CCR as appropriate. In addition, contracts awarded via a Framework Agreement that was procured under the previous regime will

result in that call off contract being awarded present to the previous legislation not the new Procurement Act. As a result, for the next two (2) financial years at least, it is highly likely that the procurement process will be a hybrid of both the old legislation and the new legislation effective 24th February 2025. These CPR's are heavily bias towards the new Procurement Act rather than the previous legislation to ensure compliance. The Procurement Team have been trained and are aware of the procedures to mitigate risk of non-compliance with the relevant procurement legislation.

3. PROCEDURE RULE 3: Partnering

- 3.1. A partnership is an agreement between the Council and one or more independent legal bodies, organisations or entities to work collectively to achieve a common purpose with specified aims and objectives. These are more commonly known as Public-Private Partnerships (PPPs). PPPs are common in almost every aspect of public infrastructure in England and Wales, including:
 - a) roads, schools, university student accommodation, prisons, defence, healthcare and hospitals;
 - b) waste to energy and waste management;
 - c) public security and border control;
 - d) waste water transportation;
 - e) certain natural resources developments; and
 - f) street lighting, energy transmission and other energy projects, including solar.
- 3.2. For the avoidance of any doubt, partnering arrangements which involve a joint venture or contractual arrangement with a private sector body are subject to the provisions of these Procedure Rules.

Section B – Plan

Pre-procurement process including the development of strategy and plan in line with business objectives and commercial policy outcomes, have clear and transparent commercial pipelines and a good understanding of the market.

4. PROCEDURE RULE 4: Steps Prior To Purchase

4.1. Before beginning a purchase the employee responsible for it must appraise the purchase, in a manner commensurate with its complexity and value, by:-

- a) Appraising the need for the expenditure and its priority;
- b) Defining the purpose and objectives and intended outcomes of the purchase;
- c) Confirming that approval has been given for the expenditure and that an appropriate budget exists;
- d) Allocating resources to ensure capacity and capability throughout all stages;
- e) Defining requirements and success criteria that are relevant, specific and proportionate;
- f) Ensuring the Business Case has been approved where applicable;
- g) Referring to the Procurement Toolkit on HPRM/Dash or contacting the Procurement Team;
- h) Completing the Procurement Checklist located with the Procurement Toolkit on Dash/HPCM;
- i) Consider how the contract might improve the economic, social and environmental wellbeing of the borough and consider if external consultation is required ([Public Services \(Social Value\) Act 2012](#));
- j) Checking to ensure that the Procurement Team do not already have a preferred supplier agreement for the product/service or if a local agreement would be suitable;
- k) Assessing the risks associated with the purchase and determine how to adequately manage them;
- l) Considering what procurement method is most likely to achieve the objectives, including internal or external sourcing, partnering, and collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium;
- m) Consulting users as appropriate about the proposed procurement method, contract standards and methods of performance and user satisfaction monitoring;
- n) Selecting the terms and conditions that are to apply to the proposed contract in consultation with the Procurement Team and Legal Services Team;
- o) Decide if the contract can be awarded in separate Lots to obtain better value and additional benefits (encourage SME's or more local suppliers);
- p) Ensuring that the purchase has been reported in the Forward Plan if it is a Key Decision i.e. incurring expenditure or creating savings of

more than £125k unless approval has been granted separately. If it has not been reported as part of the Forward Plan or a previous Cabinet report, it will be necessary to seek approval from Cabinet for the spend.

- 4.2. Officers must not enter into separate contracts or select a method of calculating the total value in order to minimise the application of these Contract Procedure Rules or Procurement Regulations.
- 4.3. The splitting of contracts to avoid the procurement regulations applying is prohibited. However, the Council may decide to award one procurement in separate Lots as per Part 3 Award of public contracts and procedures section 18 ([Duty to consider lots](#)). Contact the Procurement Team for advice.
- 4.4. Wherever possible, consideration should be given to contract mergers and aggregation with existing preferred contracts to encourage value for money or collaboration with other public sector bodies. It is essential that if a contract already exists for the supply of the same goods, services or works, the existing contract must be used in the first instance, but only if the scope is similar and any contract modification requirements are adhered to. Please contact the Procurement Team for advice and guidance. Further information is contained in Procedure Rule 19.2.
- 4.5. The calculation of the Lifetime Contract Value must be calculating by the Council. It must estimate the value of a contract as the maximum amount it could expect to pay under the contract including, where applicable, amounts already paid. The amount the Council could expect to pay includes the following—
 - (a) the value of any goods, services or works provided by the contracting authority under the contract other than for payment;
 - (b) amounts that would be payable if an option in the contract to supply additional goods, services or works were exercised;
 - (c) amounts that would be payable if an option in the contract to extend or renew the term of the contract were exercised;
 - (d) amounts representing premiums, fees, commissions or interest that could be payable under the contract (including indexation);
 - (e) amounts representing prizes or payments that could be payable to participants in the procurement.

Please note the term in the Glossary for the purposes of calculating a Concession Contract value.

5. PROCEDURE RULE 5: Long Term Arrangements

- 5.1. Better value for money and improved quality of service delivery can be achieved by entering into long-term agreements with the supply chain. Therefore, Officers must package contracts in such a way that they reduce the number of times that the Council needs to seek competitive tenders due to the administrative burden associated with a procurement

process but also to ensure it is proportionate for the supply chain. This can be achieved by amalgamating similar types of supplies and services into single contracts and then seeking competitive tenders but this must be balanced with the duty to consider Lots. Officers must also consider the term of the contract when considering the plan stage of the procurement process. For instance, it would not be proportionate or prudent to procure a refuse collection service contract for six (6)/ twelve (12) months given the plant and equipment that would be required to fulfil the service, but also the staffing required. It would in this scenario be more proportionate and prudent to offer a contract period of at least five (5) years.

6. PROCEDURE RULE 6: Transfer Of Undertakings (Protection Of Employment) Regulations 2006

- 6.1. All procurements where applicable must indicate how the Council intends to deal with [The Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (TUPE). This is a critical element of the procurement process and the lead service area must consider this, liaising with Human Resources (HR) and the current supplier. This will relate to employees transferring from a Council service to an external provider (outsourcing), or vice versa (in-sourcing) or where employees transfer from an external provider to another external provider following a procurement process. If the latter, the involvement from HR will be light touch as the Council facilitates the process and transfer of TUPE information.
- 6.2. When the Council considers there to be a TUPE transfer from the Council, the advice of the People Services Manager, Assistant Director – Central Operations and Monitoring Officer must be sought. The Assistant Director – Finance and Strategic Director – Corporate Resources will be notified.
- 6.3. All contracts shall require a successful tenderer to undertake to comply with its obligations under TUPE.

7. PROCEDURE RULE 7: Preliminary Market Engagement

- 7.1. The Council may conduct preliminary market engagement prior to the publication of a tender and competitive procurement process, for the purpose of:
 - a) developing the Council requirements and approach to the procurement;
 - b) designing a procedure, conditions of participation or award criteria;
 - c) preparing the tender notice and associated tender documents (for instance Lots, procurement route to market, timescales associated to the tender stage, whether site visits would be beneficial);
 - d) identifying suppliers that may be able to supply the goods, services or works required;
 - e) identifying likely contractual terms;

- f) building capacity among suppliers in relation to the contract being awarded.
- 7.2. In carrying out preliminary market engagement, a contracting authority must take steps to ensure that:
- a) suppliers participating in the preliminary market engagement are not put at an unfair advantage, and
 - b) competition in relation to the award of the public contract is not otherwise distorted.
- 7.3. The Procurement Team must be involved and where it is likely that the requirement is above threshold, the Procurement Team will need to publish a Preliminary Market Engagement Notice as set out in Procedure Rule 14. The Procurement Team have templates available for officers to undertake a preliminary market engagement exercise and will facilitate this via the tendering portal for efficiency and audit purposes. Alternatively, preliminary market engagement could be undertaken via a framework with suppliers under the relevant scope/lot.

Section C – Define

Identify options and determine relevant procurement requirements that encourage broad participation and are open and accessible to all.

8. PROCEDURE RULE 8: Specification

- 8.1. A Specification is a statement of requirements which must be produced by the Officers in the service as the expert within their field with support/advice from the Procurement Team. It provides a detailed description of the goods, services and/or works a supplier is expected to supply during the lifetime of the contract. It is also a record against which suppliers can be measured and is legally binding.
- 8.2. It should encourage fair and open competition within the marketplace and help suppliers make informed decisions on whether to bid.
- 8.3. The Specification is a core document for the procurement and subsequent contract. A supplier shouldn't need to make assumptions as a good specification must include all the right information to enable the supplier to cost up goods, services and/or works accurately so a Council can evaluate bids on a like for like basis. The specification mustn't mislead suppliers or give them false expectations.
- 8.4. Officers must ascertain the relevant British or equivalent International Industry standard that applies to the contract and these must be used to properly describe the required quality. Clarification can be sought from the Procurement Team where applicable.
- 8.5. For guidance on how to write a specification, Officers may use the standard template available and review guidance available such as the

9. PROCEDURE RULE 9: Key Performance Indicators

- 9.1. A Key Performance Indicator (KPI) is a quantifiable measure against which a supplier's performance of a contract can be assessed during the life-cycle of the contract. This ensures the Council has a way to hold the supplier to account regarding performance and helps evidence good or poor performance.
- 9.2. The Procurement Team will assist the Officer with the production of the KPI's but it is the Officers responsibility to finalise and decide the KPI for inclusion in the specification and contract. The KPI's need to be measurable and relevant to the requirement and contract. It is also the Principal Contract Officer's responsibility during contract management to monitor performance against the KPI's agreed.
- 9.3. Where the value of the public contract is estimated more than £5 million, the Council must set at least three KPI's in respect of the Contract. The obligation to set at least three KPIs does not apply if the contracting authority considers that the supplier's performance could not appropriately be assessed by reference to KPIs. This might include, for example, where the contract is for a one-off delivery of or off-the-shelf goods.
- 9.4. Where more than three (3) KPIs are set, the Council will be required to publish all KPIs. Please refer to Procedure Rule 19 for more information related to the management, monitoring and publication of KPI's once the contract has been awarded. Please see Procedure Rule 14 and 19.

10. PROCEDURE RULE 10: Social Value

- 10.1. The Council must consider how its requirement, procurement and contract will support the delivery and achievement of wider benefits including but not limited to social, economic and environmental sustainability benefits.
- 10.2. As a minimum, between 5% and 10% of the evaluation criteria must be earmarked for social value purposes in the following Quotations and/or Tenders:
 - a) Where the value of the proposed contract for goods and/or services is above the UK Public Procurement [threshold](#); or
 - b) Where the value of the proposed contract for the execution and undertaking of works exceeds £500,000 (Net).

11. PROCEDURE RULE 11: Award Criteria

- 11.1. Award criteria means criteria set which Tenders or Quotations will be assessed for the purpose of awarding a public contract. In all tenders

and quotes, the award criteria must be clearly defined and transparently communicated in the procurement documents to bidders. When setting award criteria, Officers must ensure that all award criteria relates to the subject-matter of the contract, is sufficiently clear, measurable and specific, do not break the rules on technical specifications and remain proportionate, having regard to the nature, complexity and cost of the contract.

11.2. The Procurement Team will assist the Officer with the production and finalisation of the award criteria but it is the Officers responsibility to finalise and decide the award criteria noting advice from the Procurement Team. Please also note, it is not the Procurement Team responsibility to evaluate the award criteria, that is a responsibility for the Officers.

11.3. Examples of award criteria themes including but are not limited to:

- a) Level of service;
- b) Quality of goods;
- c) Cost effectiveness;
- d) Delivery requirements;
- e) Environmental considerations;
- f) Functional characteristics, such as security, safety and control features;
- g) After sales service;
- h) Experience/Case Study;
- i) Communication and expectation management;
- j) Health and Safety;
- k) Technical assistance;
- l) Social value (please note Procedure Rule 10).

12. PROCEDURE RULE 12: Contract Documents, Signing and Sealing

12.1. High level detail for all contracts valued at £C (£125k) or above (or £B £25k if open advert at the point of award), must be published on the Council's [Transparency Pages](#) and Contracts Finder in accordance with The Local Government Transparency Code 2015.

12.2. All contracts shall clearly specify:-

- a) The work to be done or the goods, materials or services to be supplied;
- b) That all goods supplies and services used or supplied are to comply with any relevant standards specification or code of practice in force at the date of the tender (British or International equivalent);
- c) The price to be paid with a statement of any discounts or deductions (amount and timing);
- d) Any insurance requirements;
- e) Any health and safety requirements;
- f) Safeguarding vulnerable people requirements (if appropriate);

- g) The terms of the Bribery Act 2010 or any other legislation that deals with Bribery and Corruption in force at the time the contract is let;
- h) Compliance with the Equality Act 2010;
- i) The time within which the contract is to be performed;
- j) The provisions for the Council to terminate the contract; and
- k) A mechanism for agreeing price escalation and or cost reduction requirements;
- l) That both parties will comply with the provisions of the GDPR Regulation including the data controller and processor responsibilities;
- m) That the supplier may not assign or sub-contract without prior written approval;
- n) Any insurance requirements;
- o) Health and Safety requirements;
- p) Sustainability requirements;
- q) Confidentiality;
- r) A right of access to relevant documentation and records of the contractor for monitoring and audit purposes, if relevant;
- s) Key Performance Indicators; and
- t) That the Freedom of Information Act 2000 and The Local Government Transparency Code 2015 may require the Council to release information provided by the suppliers.

12.3. The formal advice of the Procurement Team must be sought for the following contracts:-

- a) Where the total value exceeds £B (£25k);
- b) Those involving leasing arrangements;
- c) Where it is proposed to use a supplier's own terms (which should be the exception for exceptional reasons rather than the rule); and
- d) Those which are complex or high risk in any other way.

12.4. All contracts over £C (£125k) must be concluded formally in writing and signed by an authorised signatory and formally sealed by the Legal Services Team before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written authority is provided by the Chief Financial Officer, Deputy Chief Financial Officer or Monitoring Officer. An award letter is insufficient. All contracts should be given a unique number allocated by the Procurement Team who should also be supplied with a copy of the contract.

12.5. The Principal Contract Officer from the service area must ensure approval and authority is in place prior to the award and signing of the Contract.

12.6. A contract must be sealed by the Council if:-

- a) The Council may wish to enforce the contract more than six (6) years after its end;

- b) The price paid or received under the contract is a nominal price and does not reflect the value of the goods or services;
- c) There is any doubt about the authority of the person signing for the other contracting party; or
- d) The total value of the contract exceeds £C (£125k).

13. PROCEDURE RULE 13: Liquidated Damages, Bonds And Parent Company Guarantees

- 13.1. A risk assessment and financial check of every contract for the purposes of determining the level of security needed, if any, must be made by the appropriate Strategic Director or Assistant Director in consultation with the Procurement Team. Typically, this would be discussed at the pre-procurement planning stage when considering the criteria for the procurement as is considered in the Procurement Checklist.
- 13.2. For every contract where it is considered that the Council would suffer loss if the contract works, supplies or services are not provided in the time specified, the contract shall provide for the payment of liquidated damages by the contractor to reflect the anticipated loss to the Council.
- 13.3. Employees must consult with the Chief Financial Officer to establish whether a parent company guarantee is necessary when a supplier is a subsidiary company and:-
 - a) The award is based on an evaluation of the parent company; or
 - b) There is some concern about the financial stability of the supplier.
- 13.4. Employees must consult with the Chief Financial Officer to establish whether a bond is needed where:-
 - a) It is proposed to make stage payments during the life of the contract and there is some concern about the financial stability of the supplier; or
 - b) There will be a cost to maintain service delivery if the supplier goes into liquidation; or
 - c) Where a parent company guarantee cannot be provided (i.e. due to the company not having a parent company).

Section D – Procure

Prepare procurement documentation and publish, select suitable suppliers, evaluate bids, award and mobilise the contract.

14. PROCEDURE RULE 14: Procurement Process, Advertising Requirements and Procurement Notices

14.1. Further to 1.4 above, the penalties for non-compliance with procurement regulations are severe and failure to comply could expose the Council to legal action by suppliers, resulting in setting aside the contract, fines, re-tendering costs and compensation.

14.2. The Procurement Team must be notified and involved in all procurements above £B (£25k) as a minimum to ensure the process undertaken is compliant. This also ensures all awarded procurements are recorded on the Central Procurement Database.

14.3. The only exception to 14.2 is where a procurement is due to be awarded via a Framework Agreement or falls in scope of the Vertical or Horizontal arrangement regardless of the value (if below £b (£25k)). The Procurement Team must always be consulted and involved in the process to ensure a compliant award.

14.4. Quotations and Tenders

14.4.1. For the purposes of Quotations and Tenders (excluding Framework Agreement call-offs, Vertical and/or Horizontal Arrangements), please find below the matrix outlining the process to be followed.

Estimated Value of the Whole Contract*	Minimum Number of Suppliers to be Invited	Minimum Advertising Requirements	Procurement Method	Process Records Required	Form of Contract Required
Less than £A (£7.5k)	No minimum numbers, but must demonstrate value for money	Not Mandatory - Supplier selection based on Officer knowledge	Written Quote	Written record documenting the process (Including Written Quote submitted – if applicable)	Purchase Order (PO) and Invoice. Contract may be required depending on the risk and nature of the award.
£A to £B (£7.5k to £25k)	3 written Quotations	Not Mandatory - Supplier selection based on Officer Knowledge	Written Quotation (E-Mail or Purchasing system are also acceptable)	Quotations obtained and record documenting the process and reasoning as to the selection of the successful supplier	Purchase Order (PO) and Invoice. Formally signed contract may be required depending on the risk and nature of the award.
£B to £C or D if Works (£25k to £125k or £3.5M if Works)	Must be via the Procurement Team If open, sealed Tenders and no minimum amount need to be invited as it's an openly advertised opportunity. If however it is deemed to be closed, a minimum of five (5) must be invited to obtain at least three (3) Quotations.	Advertisement on the authorised eTendering Portal and Find a Tender (if open advert). Option to undertake closed Quotation process but must be justified and approved by the Procurement Service Manager and/or Assistant Director – Democracy and Governance. At least five (5) suppliers invited.	Invitation to Quote if closed (Consult the Procurement Team) or Invitation to Tender if open (Consult the Procurement Team)	Procurement Documents, Clarification Register, Submission Documents, Contract	Signed contract/agreement, PO and Invoice (Record on Central Contracts Database)
More than £C (£125k) to threshold or more than D (£3.5M) if Works	Must be via the Procurement Team Open sealed Tender.	Advertisement on the authorised eTendering Portal and Find a Tender. No option for it to be closed.	Invitation to Tender - Sealed Tenders (Consult the Procurement Team) No option for it to be closed.	Procurement Documents, Clarification Register, Submission Documents, Contract	Formal Sealed Contract (Record on Central Contract Database)

Above threshold	Must be via the Procurement Team Open sealed Tender.	Advertising on Find a Tender and Contracts Finder. No option for it to be closed.	Follow Regulations (Consult the Procurement Team). No option for it to be closed.	Complete Log of entire procedure	Formal Sealed Contract (Record on Central Contract Database)
------------------------------------	--------------------------------------------------------------------	------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------	----------------------------------	--------------------------------------------------------------

* Including extension options and shall be deemed to exclude any Value Added Tax applicable to the contract/framework agreement.

14.4.2. Invitation to Quotes may be undertaken on a closed basis (£B to £C or D if Works (£25k to £125k or £3.5M if Works). This is where the contracting authority invites quotes from a closed group of pre-selected suppliers via the e-tendering portal provided it does not advertise the procurement in any other way (for example in a newspaper or on a local website or openly on the portal). The reasoning for the selection of suppliers must be justified (for instance all SME's, they are local in the Borough or County) and at least five (5) suppliers must be invited. The same five (5) suppliers cannot keep being reinvited to similar invitations to quote due to risk of service delivery in the event of supplier failure but to also ensure suitable competition. If the intention is to undertake a closed invitation to quote process, approval must always be given by the Procurement Service Manager and/or Assistant Director – Democracy and Governance. Where a closed invitation to quote procedure is not being undertaken (and this excludes a framework agreement award, vertical and horizontal awards), the process will be deemed a below threshold tender and must therefore comply where relevant to the Procurement Act.

14.4.3. Timescales for above threshold and below threshold Tenders are outlined in the Procurement Act. For the purposes of Invitation to Quote processes, this must be out to the market for at least 30 days unless justified and approved by the Procurement Service Manager and/or Assistant Director – Democracy and Governance.

14.4.4. For Tenders which exceed £C (£125k) or £D (£3.5M) if Works, consideration should be given to re-tendering where two or fewer tenders are received, and where prices are high and VFM cannot be demonstrated. But this needs to be balanced with other factors such as programme, priority, risk and whether the opportunity was limited or restricted in some form.

14.4.5. Standstill Period is compulsory on all procurements above £C (£125k) including Works above £C (£125k) unless waived following approval with the Chief Financial Officer. A Standstill period must always apply to an above threshold Tender as per the Regulations. It is optional for a competition via a Framework Agreement and would be deemed best practice if time permits, unless the Framework Agreement mandates a Standstill Period. Where a Standstill Period is not mandatory as per the Regulations, it will be called a Voluntary Standstill Period.

14.4.6. Concession contracts have the same [threshold](#) as 'works' contracts. In simple terms, a contract is a 'concession' when the economic operator is compensated by the ability to exploit the requirement on behalf of the authority (i.e. Leisure Centre Operator). However, concession contracts vary from standard service and works contracts in that, the operator must take the risk that no income is generated and a loss could be incurred. A full definition of what is meant by a 'concession contract' can be found in the [Glossary of Terms](#). If you believe your requirement could be a concession contract, please contact the Procurement Team for advice.

14.5. **Framework Agreements (CHAPTER 4 Award under frameworks)**

14.5.1. A Framework Agreement means an agreement between a contracting authority and one or more suppliers that provides for the future award of contracts by a contracting authority to the supplier or suppliers. A contract can be awarded via a Framework Agreement but it must be done so in accordance with the Framework Agreement terms and conditions. All purchases made via a Local Authority consortium or public sector Framework Agreement, such as CSW, ESPO, CCS, PFH or PAGABO, are deemed to comply with these Contract Procedure Rules and an exemption is not required.

14.5.2. Framework Agreements, due to their nature, may be comprised of several suppliers, and a robust selection process should be undertaken to ensure value for money is achieved. The Council must comply with the Framework Agreement call-off process to ensure compliance with the Regulations to result in a compliant award. Call-off Contracts may be awarded with or without competition between suppliers on the framework. Advice must always be sought from the Procurement Team who will facilitate and manage the process for Officers.

14.5.3. Access to Framework Agreements will be defined by the Framework Agreement owner.

14.5.4. The Procurement Team must vet the Framework Agreement to ensure it is a compliant Framework Agreement to use. Even though the Council may not be the Framework Agreement owner, any procurement process via a Framework Agreement to award a Call-off Contract will be the sole liability of the Council. Therefore, should the Framework Agreement be deemed non-compliant and/or the call-off process was non-compliant, the contract awarded will still be liable for the consequences set out in 1.4. This is why due diligence of the framework agreement is still required.

14.5.5. Where the Council may use a new Framework Agreement that requires the completion of an Access Agreement, approval must be granted by the Procurement Service Manager and/or Assistant Director – Democracy and Governance following a review and upon issue of a Delegated Officer Decision.

14.6. Collaborative Procurements

14.6.1. Typically, most procurements and contracts awarded will be in the form of a Tender or Quotation process as outlined above. However, there are alternative routes to market such as accessing a public sector compliant Framework Agreement or a collaborative Tender/Quote process led by another public sector body in order to secure better value for money. The Procurement Team must be consulted where a purchase is to be made using collaborative purchasing arrangements with another public sector body (including central government), statutory undertaker or public service purchasing consortium. Where the Council is acting as the lead authority in a consortium for the procurement of goods, works or services, these Contract Procedure Rules will be applicable. Where the Council is a participating buyer/customer to a wider collaborative procurement (such as a regional procurement exercise led by another borough/district or county council or, part of a national aggregated procurement exercise), the lead authority will comply with the regulations and their Contract Procedure Rules (or equivalent). However, Officers are informed that this relates only to the competitive part of the procurement process. The Principal Contract Officer at the Council will still be required to comply with internal process, governance, sign off and approval.

14.7. Vertical Arrangements

14.7.1. For the purposes of the Regulations, the Vertical Arrangement exemption applies only to contracting authorities that are public authorities and it does not apply to public undertakings or private utilities. The exemption is available where a contracting authority (or two or more contracting authorities acting together) contracts with 'controlled person' over which the contracting authority owner has the form of control set out in the Act. One example of a controlled person is a local authority trading company that the contracting authority owner has set up, either on its own or with other contracting authorities, to provide services.

14.7.2. Schedule 2 Exempted Contracts, paragraph 2(2) of sets out the criteria that determine whether the person is 'controlled', all of which must be met in order for the exemption to apply. These are:

- a) The Council is a parent undertaking, as defined in paragraph 2(4) (which refers to the definition in Section 1162 Companies Act 2006);
- b) No other person exercises (directly or indirectly) a decisive influence over the activities of the controlled person; and
- c) The controlled person carries out more than 80% of its activities for, or on behalf of, the contracting authority owner (the Council), or for or on behalf of other persons controlled by the contracting authority owner; and
- d) Where there is joint control by more than one contracting authority owner, each contracting authority owner is represented on the

controlled person's board or equivalent decision-making body, and the controlled person does not carry out activities which are contrary to the interests of one or more of the contracting authority owners.

14.7.3. This exemption (not to be confused with Procedure Rule 24 of the CPR's) applies to contracts awarded by the contracting authority owner (the Council) to the controlled person and to contracts awarded by the controlled person to its contracting authority owner. There still remains a requirement to publish notices, obtain and demonstrate value for money and undertake contract management duties. The exemption removes the need to undertake a competitive procurement process only. Therefore pre-procurement stages and contract management stages still apply.

14.8. **Horizontal Arrangements**

14.8.1. For the purposes of the regulations, the Horizontal Arrangement exemption applies only to contracts between contracting authorities and only where both of the co-operating contracting authorities are public authorities - it does not apply to public undertakings or private utilities.

14.8.2. A Horizontal Arrangement exists between co-operating contracting authorities when:

- a) the arrangement is intended to achieve common goals in connection with the exercise of their public functions; and
- b) the arrangement is solely in the public interest; and
- c) no more than 20% of the activities envisaged by the arrangement are intended to be carried out for reasons other than for the purposes of their public functions.

14.9. **Advertising Requirements including Procurement Notices**

14.9.1. For the purposes of Above Threshold and all Invitation to Quotes or Tenders undertaken on an open basis, please find below the advertising and notice requirements throughout the lifetime of the procurement cycle.

a) Preparation Stage

- i. Pipeline Notice (Mandatory if applicable): if a contracting authority considers they will pay >£100 million for contracts for goods and services in the upcoming financial year, then the publication of a pipeline notice 56 days prior to commencement of the financial year (being the 1st of April) setting out information about public contracts with an estimated value of over £2million each is mandatory.
- ii. Planned Procurement Notice (Optional): this is an optional notice intending to show that a public body intends to publish a tender notice in the future.

- iii. Preliminary Market Engagement Notice (Mandatory if applicable): contracting authorities are not obliged to perform Prior Market Engagement but where they do, they will be required to publish a Prior Market Engagement Notice or provide reasons for conducting Prior Market Engagement in the tender notice. This is a change from the current Public Contracts Regulations 2015 which does not require (but allows) the publication of such notice.

b) Procurement stage

- i. Tender Notice (Mandatory if applicable): where a contracting authority is planning to award a public contract via a competitive procedure, then tender notice will be mandatory and commences the procedure. This is the equivalent to the current contract notice.
- iv. Transparency Notice (Mandatory if applicable): this is mandatory if there is a direct award made by a public body and replaces the current voluntary transparency notice.
- v. Below Threshold Tender Notice (Mandatory if applicable): this is mandatory where the contracting authority intend to advertise for the purpose of inviting tenders for a below threshold procurement (being a contract with estimated value of not less than £12,000 (inc. VAT) for central government authorities and not less than £30,000 (inc. VAT) for all other contracting authorities) and must be published prior to advertising a notifiable below threshold contract.
- vi. Procurement Termination Notice (Mandatory if applicable): these do not extend to private utilities or contracts awarded under section 41 as specified in paragraph 15 of Schedule 5, however, they are mandatory for public contracts where after publishing a tender or transparency notice the contracting authority decides not to award the contract.

c) Contract award

- i. Contract Award Notice (Mandatory if applicable): this is published at conclusion of procurement and before entering into the contract and sets out the intention to enter into a public contract – this is mandatory. It should be noted that contracting authorities will be required to give an assessment summary (the equivalent to the current standstill letters, albeit with different requirements) to each supplier that submitted a tender before publishing the contract award notice.
- ii. Contract Details Notice (Mandatory if applicable): this shows that a contract has been entered into and is mandatory. In addition
 - a. Publication of contract (Mandatory if applicable): contracting authorities who enter into a public contract with a value of more than £5m will have to publish a copy of the contract within 90 days of entering into the contract (or 180 days if the contract is light touch). However, Welsh contracting authorities are required to publish contracts only if the contract was awarded as part of a procurement under a reserved procurement arrangement (i.e a framework or Dynamic Market awarded by an English / non-

devolved contracting authority) and the value of the call off is over £5m.

- iii. Procurement Termination Notice (Mandatory if applicable): this is a new requirement where a contracting authority is now required to publish a notice where it decides to abandon a procurement. Such a notice must be published as soon as reasonably practicable after making the decision.
- iv. Below-Threshold Contract Details Notice (Mandatory if applicable): where a contracting authority enters into a notifiable below-threshold contract (being a contract with estimated value of not less than £12,000 (inc. VAT) for central government authorities and not less than £30,000 (inc. VAT) for all other contracting authorities) then the contracting authority must publish a contract details notice as soon as reasonably practicable after entering into the contract.

d) Contract performance management

- i. Contract Change Notice (Mandatory if applicable): mandatory where an above-threshold modification is made to the contract. This is a wider requirement compared to the Public Contracts Regulations 2015 which only require contract modification notices in limited circumstances. No contract change notice is required to be published where the modification do not increase or decrease the value of the contract (a) in the case of supply of goods and services contracts, by 10% or less or (b) in the case of works contracts, 15% or less.
- ii. Contract Termination Notice (Mandatory if applicable): this is mandatory and must be published within 30 days of contract termination date, (whether termination is due to expiry or otherwise). This is a new requirement.
- iii. Payments Compliance Notes (Mandatory if applicable): this is mandatory and must show the contracting authorities compliance with 30-day payment terms. Such notices must be published within 30 days of the last reporting period (being each 6 month period on either the 31 March or 30 September)
- iv. Contract Performance Notice (Mandatory if applicable): with the exception of private utilities, (where no contract performance notice will be required), where a contracting authority has included KPIs in the contract and the contract has a value of over £5million then the contracting authority must at least once every year assess the suppliers performance against those KPIs and publish information about the suppliers performance. In addition, contracting authorities will be required to share information about breaches of contract or poor performance (including those which result in termination, payment of damages or a settlement agreement) by the supplier within 30 days of the breach or poor performance.

e) Relevant at more than one part of the procurement process

- i. Dynamic Market Notices (Mandatory if applicable): this notice mandatory where a dynamic market will be publicised, established, awarded or where it will be terminated. A Dynamic Market Notice will

get updated as it passes each stage. No Dynamic Market Notice is required to be provided for a termination if the dynamic market is established by a private utility.

15. PROCEDURE RULE 15: Receipt And Opening Of Tenders/Quotations

- 15.1. All sealed Quote and Tenders must be via a procurement portal. Where utilising the Council e-tendering portal (rather than a framework provider portal or lead authority (such as another public sector body)), at least two officers from the Procurement Team must receipt and undertake the opening ceremony. Any faxed, post and/or email submissions must be rejected.
- 15.2. A summary of the tender or quote opening information as detailed below shall be produced and retained with the contract documents:
 - a) Title of the Contract
 - b) Names of all tenderers
 - c) The amount of each tender
 - d) Date and time of opening
 - e) Name of those present at opening
 - f) Verification that all documents are present
- 15.3. The Procurement Team will download the tender or quote responses and make them available to relevant Officers as required for record/audit/evaluation. This will result in an initial anonymised tender opening record and pricing documents will not be shared until the pass/fail and quality assessment has been undertaken to mitigate any potential bias during the evaluation process.

16. PROCEDURE RULE 16: Evaluation, Award and Debriefing Suppliers

- 16.1. With the exception of debriefing required or permitted by these Procedure Rules, the confidentiality of quotations, tenders and the identity of suppliers must be preserved at all times and the information about a bid response must not be given to any other supplier or external party unless for a justifiable reason (insurance advisors, externally appointed project manager/consultant). Freedom of Information Act 2000 [Sections 43](#) and [44](#) refer to exemptions for confidential and commercially sensitive information.
- 16.2. The Procurement Team must ensure all contracts awarded above £25k (or below if involved or appointed via a Framework Agreement Call-off) have a contract record created in the Central Contract Database and where applicable, a Contract Notice published.
- 16.3. **Evaluation**
 - 16.3.1. Bids must be evaluated and awarded in accordance with the evaluation and award criteria defined in the procurement documents by a minimum of two officers who have the technical ability to evaluate the

submission. The Procurement Team are able to advise on the process but shall not undertake the award criteria (quality) assessment unless there is a justifiable reason approved by the Procurement Service Manager and/or Assistant Director – Democracy and Governance for their involvement in the evaluation process. The Procurement Team will however review the pass/fail criteria, conditions of participation and pricing documentation. During this process, officers shall ensure that submitted tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily. If any particularly low bids are received or if there are large discrepancies between the bids received, it is advised to undertake an abnormally low price clarification process. Where a bid is considered to be abnormally low the Procurement Team will follow the process outlined in the regulations.

16.4. Award

16.5. Where required by the regulations, before entering into a public contract (awarding), the Council must publish a contract award notice setting out that the Council intends to enter into a contract and observe a Standstill Period. But before publishing a contract award notice, the Council must provide an assessment summary to each supplier that submitted an assessed tender which contains information about the Council's assessment of the tender, and if different, the most advantageous tender submitted in respect of the contract.

16.6. The Contract must be signed by an authorised officer of the Council's Legal Team as per the approved signatory and delegations list, and a copy of the contract must be forwarded to the Procurement Team to update the Central Contract Database. The Legal Team will require the relevant approval and authority in accordance with the Council Constitution in order to sign the Contract for the provision of goods, services and works.

16.7. Standstill Period

16.7.1. The Council must not enter into a public contract before the end of the mandatory standstill period, or if later, the end of another standstill period provided for in the contract award notice.

16.7.2. The Council will need to observe the mandatory Standstill Period which is the period of eight working days beginning with the day on which a contract award notice is published in respect of the contract.

16.7.3. Where there is no requirement to observe a mandatory Standstill Period, the Council will (unless approved by the Procurement Service Manager and/or Assistant Director – Democracy and Governance) hold a Voluntary Standstill Period. Like the mandatory Standstill Period, the voluntary Standstill Period must be at least eight working days. A voluntary Standstill Period is not required for tenders or quotes below £125k.

- 16.7.4. If the award decision is challenged by an unsuccessful tenderer then the contract will not be awarded, the standstill is likely to be extended subject to the reason for the challenge, and advice must be obtained from the Assistant Director – Democracy & Governance and the Procurement Service Manager.
- 16.7.5. If a supplier requests in writing the reasons for a decision, they must be given the reasons in writing prior to completion of the standstill period or within five (5) working days from receipt of the request if no standstill is being followed. If requested, tenderers who were deselected in any pre-selection stage be given the outcome of the procurement for transparency purposes.

17. PROCEDURE RULE 17: Post Tender Negotiation

- 17.1. Seeking clarification of an invitation to tender is permitted but must be undertaken via the electronic tender portal. However, if it is in fact deemed negotiation rather than clarification, it must be undertaken in a controlled environment with a clear agenda and minutes of meetings/discussions with at least one member of the Procurement Team in attendance.
- 17.2. Discussions with bidders after submission of a tender and before the award of a contract with a view to obtaining an adjustment to price, delivery or content must be the exception rather than the rule. It must not be conducted in procurements above the [threshold](#) where it might distort competition unless permitted by the regulations. The only exception to this is if the Competitive Flexible Procedure has been used which includes one or more stages of negotiation.
- 17.3. If post tender negotiations are necessary after a single stage tender or after the second stage of a two stage tender (for instance where prices are significantly higher than the available budget or where no suitable or bids are acceptable without modification), then such negotiations shall only be undertaken as part of the closure of the procurement stage and re-opening of a new stage to ensure all bidders are treated fairly and equally to reduce challenge. A record of the minutes of negotiation meetings shall be kept on file and the changes communicated transparently.
- 17.4. The Assistant Director – Democracy & Governance must be formally consulted wherever it is proposed to enter into post tender negotiation. Negotiations must be conducted by a team of at least two employees, one of whom must be from the Legal Services Team or Procurement Team.

18. PROCEDURE RULE 18: Records

- 18.1. The Council and officers must retain documentation and communication as required by the regulations. This includes:
- a) all and any records as the Council considers sufficient to explain a material decision made for the purpose of awarding or entering into a public contract;
 - b) records of any communication between the Council and a supplier that is made in relation to the award or entry into of a public contract, and before the contract is entered into.
- 18.2. All procurements awarded need to be added to the Central Procurement Database.
- 18.3. In the event of a legal challenge all communications including e mails, may be requested by a Court as evidence. Therefore, it is essential that all documentation is stored securely and all communications/notes are undertaken in a professional manner.
- 18.4. All records must be kept for at least three (3) years after the final settlement of the contract, twelve (12) years if the contract is under seal. However, tender documents, which relate to unsuccessful contractors, need only to be kept for a period of 12 months from award of the contract, provided there is no dispute about the award. In some cases it may be desirable to retain documents for a longer period by scanning or using some other suitable method. Where the cost of the contract is to be met in part or in whole, by sources of external funding, the written records shall be retained in accordance with any directions of the external funder.

Section E – Manage

Establish a contract management plan to monitor performance and ensure successful delivery of contractual obligations, exit and contract closure.

19. PROCEDURE RULE 19: Contract Management

19.1. Responsibility of the Principal Contract Officer

19.1.1. A Principal Contract Officer must be nominated for all contracts over £B (£25k). The nominated person will be responsible for the planning, coordination, monitoring and controlling of the contract, and ensuring completion on time, within cost and to the required quality standards. This cannot be a member of the Procurement Team unless the contract is for the Procurement Team (such as the company credit rating solution or e-tendering portal).

19.1.2. The Principal Contract Officer should:-

- a) Maintain a risk register during the contract period;
- b) Undertake appropriate risk assessments;
- c) For each risk identified, ensure that contingency measures are in place;
- d) Confirm the financial stability and insurance cover of the contractor at least annually; and
- e) Be proactive to ensure the contract is reviewed at least annually (if longer than twelve (12) months) to effectively and efficiently plan for any extension period (if permitted by the contract) and/or begin planning for any new procurement if the contract is an ongoing requirement rather than a one off purchase.

19.1.3. During the life of the contract the following issues must be monitored:-

- a) Performance;
- b) Compliance with specification and contract;
- c) Budget, cost, variations, quality and value for money;
- d) User satisfaction and risk management; and

e) Customer complaints.

19.1.4. Principal Contract Officers are advised to hold regular contract meetings with their contracted suppliers at least once a quarter and to hold documentation as evidence of meetings (minutes) as appropriate. These meetings should be used to discuss updates, performance, invoicing, provisionally discuss changes (personnel or contract variations) before formally agreeing and end of contract arrangements (TUPE, providing back to the Council any documentation, keys, equipment etc). These meetings will ensure consistent communication between the parties.

19.2. Contract Variations

19.2.1. Following the award of any contract, changes may need to be made for certain reasons such as changes in procedure, legislation, pricing, the terms of the contract and/or specification. A contract may be modified in accordance with this procedure rule and the procurement regulations, but certain criteria must be met to modify a contract. If the proposed variation is not compliant with the criteria, the variation is not permissible.

19.2.2. It is the Principal Contract Officer's responsibility to manage the contract and ensure any variation to a contract is checked prior to agreeing with the supplier, ensuring liaison with the Procurement and Legal Services Team. Any change to a contract must be documented appropriately via a contract variation schedule and signed off by the parties.

19.2.3. A contract can be modified based on the below criteria:

- a) Non-substantial
- b) Below threshold
- c) Provided for in the contract
- d) Urgency and the protection of life
- e) Genuine unforeseeable circumstances
- f) Materialisation of a known risk
- g) Additional goods, services or works
- h) Transfer on corporate restructuring

a)	Non-substantial	Modification is permitted on this ground if it is not a 'substantial modification as defined in section 74(3), i.e. if it does not: <ul style="list-style-type: none">• increase or decrease the term of the contract by more than 10% of the maximum term provided for on award; or• materially change the scope of the contract; or• materially change the economic balance of the contract in favour of the supplier.
----	-----------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

b)	Below threshold	<p>Modification is permitted on this ground if it:</p> <ul style="list-style-type: none"> • does not increase or decrease the estimated value of a goods or services contract by more than 10%, or a works contract by more than 15%; and • does not materially change the scope of the contract. • cannot be made on the grounds at Schedule 8 or is not a substantial modification (as set out in section 74(3))
c)	Provided for in the contract	<p>Modification is permitted on this ground if the possibility of the modification is unambiguously provided in:</p> <ul style="list-style-type: none"> • the contract as awarded; and • the tender or transparency notice for the award of that contract; and • the modification would not change the overall nature of the contract.
d)	Urgency and the protection of life	<p>Modification is permitted on this ground if its purpose:</p> <ul style="list-style-type: none"> • could, alternatively, be achieved by directly awarding a contract under section 41 (Direct award in special cases); and • such direct award could be made by reference to either extreme and unavoidable urgency (under Schedule 5, paragraph 13) or regulations made under section 42 (Direct award to protect life, etc).
e)	Genuine unforeseeable circumstances	<p>Modification is permitted on this ground if:</p> <ul style="list-style-type: none"> • the circumstances giving rise to the modification could not reasonably have been foreseen by the contracting authority before the award of the contract; and • it does not change the overall nature of the contract; and • it does not increase the estimated value of the contract by more than 50%. This 50% threshold does not apply if the contract is a utilities contract
f)	Materialisation of a known risk	<p>Modification is permitted on this ground if:</p> <ul style="list-style-type: none"> • a 'known risk' (as defined in Schedule 8, paragraph 6) has materialised which was not caused by any act or omission of the contracting authority or supplier, and as a result the contract cannot be delivered to the contracting authority's satisfaction; and • it is in the public interest in the circumstances to amend the contract rather than award a new contract; and • it does not increase the estimated value of the contract by more than 50% (unless it is a utilities

		<p>contract, in which case the 50% cap does not apply); and</p> <ul style="list-style-type: none"> • it was set out in the tender notice or transparency notice for award of the contract that the contract may require amendment due to the identified risk; and • goes no further than necessary to address the known risk. <p>When considering the public interest in relation to this type of modification, the contracting authority:</p> <ul style="list-style-type: none"> • must consider whether a new contract (rather than a modification) could provide more value for money; and • may consider technical and operational matters.
g)	Additional goods, services or works	<p>Modification is permitted on this ground if:</p> <ul style="list-style-type: none"> • it is for goods, service or works that are additional to (which would include a repetition of) goods, services or works already provided for in the contract; and • using a different supplier would result in the supply of goods, services or works that are different from, or incompatible with, those already provided for in the contract; and • the contracting authority considers that the difference or incompatibility would result in: <ul style="list-style-type: none"> ○ disproportionate technical differences in operation or maintenance or other significant inconvenience; and ○ substantial duplication of costs for the authority; and • the modification would not increase the estimated value of the contract by more than 50%. This limit of 50% does not apply if the contract being modified is a utilities contract.
h)	Transfer on corporate restructuring	<p>The novation or assignment of a public contract to another supplier (which would include another contracting authority) is a permitted modification if it is required following a corporate restructuring or similar circumstance.</p> <p>Section 74(9) prohibits a contracting authority from modifying a contract to change a supplier except where this ground applies.</p> <p>The new supplier must not be an excluded supplier.</p>

19.2.4. Where the total cost of any contract is expected to exceed the contract sum and/or budget, this will be escalated in accordance with the virement limits procedure within the Financial Procedure Rules, in consultation with the Chief Financial Officer. The limits are:

- a) £5,000 Budget Holder;
- b) £10,000 Assistant Director
- c) £50,000 Strategic Director;
- d) Any increase in excess of £50,000 will require Portfolio Holder and Cabinet approval.

19.3. **Supplier Performance Monitoring**

19.3.1. Further to Procedure Rule 9, the Principal Contract Officer must monitor and measure the suppliers performance against the agreed KPI's.

19.3.2. If the Contract is in scope of the Procurement Regulations and has an estimated value of more than £5 million, the Council will be required to set at least three KPIs in respect of the contract and the three (3) KPI's (unless more than three (3) are set), must be published at least once every twelve (12) months. The intention is to create a contract KPI page via DASH and PowerBi so the Principal Contract Officer is reminded to obtain the KPI data, submit via DASH so that the KPI's can be published by the Procurement Team in accordance with the Procurement Regulations for contracts that exceed £5 million. As per Procedure Rule [7], The obligation to set and publish at least three KPIs does not apply in relation to certain types of public contracts:

- a) a framework (although it does apply to call off contracts under frameworks where these are over £5m);
- b) a utilities contract awarded by a private utility;
- c) a concession contract; or
- d) a light touch contract.

20. **PROCEDURE RULE 20: Extensions Of Existing Contracts**

20.1. Subject to compliance with the regulations, contract extensions can be awarded when:

- a) Value for money can be demonstrated for the Council;
- b) The option to extend was written into the original contract;
- c) The extension period is less than the original contract term; and
- d) For Contracts subject to Regulations, the Notice and Award Notice included the option to extend.

20.2. Short term extensions may be permitted if compliant with the criteria included in Procedure Rule 17 (Contract Variations). This must however be the exception rather than the rule. Principal Contract Officers need to be proactive and plan their reviews accordingly to ensure contracts that need to be re-procured are doing so in sufficient time to mitigate risk of a gap in provision.

20.3. The extension must be approved in advance by the Chief Financial Officer or Strategic Director for major contracts and for lower value

contracts, the Service Manager and/or Assistant Director in consultation with the Procurement Team. Before approval is given it must be satisfied that:-

- a) The total contract value including the extension is less than the [threshold](#) or it will be subject to Regulations unless the extension was permitted in the tender or quote and contract;
- b) The Council is satisfied the supplier is performing against the contract and delivering the expected outcomes to be achieved when the contract was awarded;
- c) That the likely benefit of new competition for a new contract would be outweighed by the administrative cost and/or delay involved; and
- d) That the interests of the Council will not be compromised by the negotiation.

Section E – General

Procedure Rules outlined below are not specific to a stage of the Procurement Pathway (Plan, Define, Procure and/or Manage) so have been included in Section E – General as they apply throughout the entire procurement and contract lifecycle.

21. PROCEDURE RULE 21: Conflict of Interest

- 21.1. Officers and Elected Members must comply with the Code of Conduct and wider legislation surrounding the declaration of any conflict of interest that may be directly or indirectly be linked with a procurement process. Under the Procurement Act, the Council will be required to demonstrate throughout the lifecycle the ongoing assessment and review of potential conflict of interests and where identified, mitigate risk. A conflict of interest arises in a procurement context where there is a conflict between the interests of a person acting in relation to a procurement and those of the procurement itself (this includes any decision maker, whether a senior Officer or Elected Member such as a member of Cabinet or the relevant Portfolio Holder). Therefore, Officers participating in the procurement process will be asked to declare throughout the procurement process any conflict of interest that may impact the procurement process.
- 21.2. Conflicts of interest need to be managed effectively to ensure that the public can trust contracting authorities to carry out public procurement responsibly and impartially. It also helps to encourage suppliers to participate in procurements, providing confidence that they will be treated fairly and that there will be genuine competition.
- 21.3. The Procurement Officer will be required to create and maintain a conflicts assessment for each procurement process and to publicly confirm that this has been done and that it has been reviewed and revised as necessary.

- 21.4. Mitigations will include but not be limited to reassigning staff and/or decision makers, require a suppliers bid team to change and/or in exceptional circumstances where there is no way to remove any conflict of interest, exclude the supplier from the procurement process. Advice must always be sought from the Monitoring Officer and the Procurement Service Manager where a conflict of interest is identified during a procurement process.
- 21.5. Further information is contained in Chapter 6 (General provision about award and procedures), Part 5 of the Procurement Act ([Conflicts of Interest](#)).
- 21.6. Officers and Elected Members are reminded that the identification of a conflict of interest in connection the procurement process does not negate the requirement to declare the conflict as a Declaration of Interest as specified in the Constitution. If it comes to the attention of a member or employee of the Council that a contract, in which he or she has a financial or non-financial interest, has been or is proposed to be entered into by the Council, he or she must record it in the Interests Register which is maintained by the Monitoring Officer. Where necessary the Monitoring Officer will report such declarations to the relevant Officers and Members. Such written notice is required irrespective of whether the interest is direct or indirect. An indirect interest is distinct from a direct interest in as much as it is not a contract to which the member or employee is directly a party.
- 21.7. The Monitoring Officer shall ensure that the attention of all members is drawn to the National Code of Local Government Conduct and the local Member Code of Conduct and that all employees are aware of the Employee Code of Conduct.

22. PROCEDURE RULE 22: Gifts and Hospitality (Corruption and Bribery)

- 22.1. In accordance with the Council's policy on Gifts and Hospitality, no Officer or Elected Member must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the employee to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a criminal offence under the Bribery Act 2010.
- 22.2. All formal written contracts must include a provision that permits the Council to terminate a contract and to recover loses if the supplier (including its employees, agents or third parties) including anyone acting on behalf of the supplier:
- a) Offer, give or agree to give to anyone any inducement or reward in respect of this or any other Council contract (even if the supplier does not know what has been done); or

- b) Commit an offence under the Bribery Act 2010 or any other legislation that deals with Bribery and Corruption in force at the time the contract is let; or
- c) Commit any fraud in connection with this or any other Council contract whether alone or in conjunction with Council members, contractors or employees.

23. PROCEDURE RULE 23: Freedom Of Information Act 2000 Exemptions

- 23.1. [Section 43](#) exempts information where disclosure would be likely to prejudice the commercial interests of any person. It also includes a specific exemption for trade secrets. It protects not only the commercial interests of the public authority that holds the information.
- 23.2. In using this exemption, you should bear in mind that the commercial sensitivity, particularly the market sensitivity, of information will usually decrease in time.
- 23.3. More information and advice can be obtained from the Solicitor to the Council or the Assistant Director – Democracy & Governance.

Section F – Exemptions

The Procedure Rule outlined below is not specific to a stage of the Procurement Pathway (Plan, Define, Procure and/or Manage) but could be required throughout the procurement and contract lifecycle.

24. PROCEDURE RULE 24: Exemptions

- 24.1. Only under exceptional an/or unavoidable circumstances shall authority be given to waive the Contract Procedure Rules. Generally, an exemption will only be approved if it is because of an unforeseeable emergency involving immediate risk to persons or property, disruption to council services or in the best interest of the service and only where it is not in breach of the Procurement Regulations.
- 24.2. An Exemption may be permitted to waiver a requirement of the CPR's and advice should always be sought from the Procurement Team and it must be cross checked against the Regulations.
- 24.3. Examples of a justifiable reason for an exemption include:
 - a) Direct award to a single supplier below the Procurement Regulation Threshold due to an unforeseen health and safety risk;
 - b) A waiver to obtain 3 sealed quotes and instead obtain 3 written quotes for a value at £45,000 on the basis value for money can be achieved and the process followed to obtain 3 quotes demonstrates value for money.
- 24.4. All exemptions must be requested using the Exemption Request Form in HPCM/Dash. Exemptions granted shall be recorded on the Contract Database and must therefore include Procurement Team. Requests for all exemptions and the reasons for accepting or rejecting the request must be in writing (includes e-mail).
- 24.5. An exemption to these Contract Procedure Rules may only be made:-
 - a) By the Chief Financial Officer in consultation where required with the Assistant Director – Democracy & Governance and the Procurement Service Manager for contracts estimated to be valued up to £C (£125k) or up to the [threshold](#).
 - b) If the Chief Financial Officer is applying for an exemption (or the Assistant Director – Democracy & Governance) then he/she must consult with the Chief Executive and Assistant Director – Finance to ensure scrutiny and governance).
- 24.6. Exemptions cannot be requested if the value of the contract exceeds the [threshold](#). That said, a Direct Award is possible for above threshold procurements if undertaken in accordance with the provisions set out in Part 3 Award of public contracts and procedures [Chapter 3 – Direct Award](#).

24.7. Under the principles of value for money (VFM) the Council should discourage requests for the Council to obtain only one quotation or tender unless there is only one suitable supplier available. Where there is only one suitably qualified supplier such as for education services and embedded software licence renewals, then all reasonable efforts to secure VFM must be made.

Section G – Glossary

‘Above Threshold’ a procurement process or contract award that would have a value in excess of the Threshold that applies for that type of contract.

‘Business Case’ means a formal document that has been reviewed and agreed providing the justification for the undertaking of a project, programme or portfolio.

‘Chief Financial Officer’ means the individual as outlined in Procedure Rule 1.9.

‘Central Procurement Database’ means an electronic method of tendering and recording of contract data using electronic equipment for the processing (including digital compression) and storage of data which is transmitted, conveyed and received via a e-tendering system.

‘Competitive Flexible Procedure’ means a procurement procedure when above threshold allow the Council the freedom to design its own procedure. The Council may choose to incorporate numerous processes into the procedure, such as negotiation, dialogue or a demonstration stage.

‘Concession’ means a contract where the supplier receives at least part of their remuneration from users of the works or services they are providing. As such, suppliers are exposed to a potential loss on their investment due to demand fluctuations.

‘Constitution’ means the formal document in place at the Council which underpins all activity by setting out how the council conducts its business, including: who is responsible for making decisions and how decisions are made.

‘Council’ means the local authority.

‘Dynamic Market’ means a list of qualified suppliers (i.e. suppliers who have met the ‘conditions for membership’ of the dynamic market) who are eligible to participate in future procurements.

‘DASH’ refers to the internal case management system at the Council.

‘Direct Award’ refers to the process of awarding a contract without competition.

‘Economic operator’ or **‘supplier’** means any legal person or public entity or group of such persons and/or entities, including any temporary association of undertakings, which offers the execution of works and/or a work, the supply of products or the provision of services on the market;

‘Exemption’ is where there is a need to seek a waiver to the Contract Procedure Rules to disapply a particular rule.

'Forward Plan' is a document that sets out information about 'key decisions' that the council will make at the next cabinet meeting or at other bodies/people that may make them.

'Framework Agreement' is an agreement or arrangement between one or more procurers and one or more suppliers that establishes the requirement and contract conditions that will apply to future orders or tasks (Call off contracts) that the procurer(s) may enter into during the period for which the framework agreement is established.

'Framework Agreement Call Off' is a contract awarded via a Framework Agreement.

'Horizontal arrangement' means the arrangement set out in 14.8.

'Key Decision' is a decision as defined in the Constitution.

'Legal Services Team' refers to the in-house Council Legal Team.

'Lifetime Contract Value' means the value of your contract which must account for the full lifetime of your contract (including any possible extension periods), account for any inflationary increases, provisional sums and estimated amount of expenditure via the contract during its term.

In the case of a Concession contract, the Lifetime Contract Value shall account for payments made by the Council and the potential monetary value for the supplier to exploit the works or services during the contract period. Therefore, the value calculation for a concession contract must take into account the full range of potential consideration to be received by the supplier over the length of the contract, including any renewals or extensions.

'Lots' refers to the process of splitting a larger single procurement into smaller 'chunks' which are then procured under separate contracts with different suppliers (some suppliers may be successful in more than one lot and may be awarded more than one contract) via a single procurement process.

'Members' refers to a Council Councillor who has been chosen by election which can include members of Cabinet as well.

'Monitoring Officer' refers to one of the statutory roles of a council with a specific duty to ensure the council, its Officers, and its Members, maintain the highest standards in all they do. The role is set out in Council Constitution. The Monitoring Officers' legal basis is found in Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000.

'Officer(s)' refers to the Council's paid employees who support the whole council, not just the cabinet.

'Parent company guarantee' refers to a form of guaranty whereby a parent, as guarantor, assumes the responsibility for the performance of an action or

obligation of its subsidiary by agreeing to compensate the beneficiary in the event of such non-performance.

'Procurement Act' refers to the Procurement Act 2023 which officially commences 24th February 2025.

'Purchasing Cards' refers to corporate credit cards that businesses can use to simplify their procurement processes.

'Procurement Checklist' refers to an internal pre-procurement document used by Officers and the Procurement Team to undertake procurement processes.

'Procurement Regulations' or **'regulations'** refers to the Procurement legislation in place at the time of the procurement process which is relevant. Further information is contained in 2.4 and 2.5.

'Procurement Team' refers to the in-house Procurement Team.

'Principal Contract Officer' refers to the lead officer responsible for the contract and procurement, who manages the contract once awarded.

'PowerBi' refers to the a data visualisation platform used primarily for business intelligence purposes.

'Quotation' means an invitation below a certain threshold (see 14.4) for economic operators to submit their bids, outlining how they can fulfil the required specifications, at a specified price or rate.

'Senior Leadership Team' refers to the senior team made up of the Chief Executive, Strategic Directors and Assistant Directors.

'Standstill Period' refers to a short pause between the point when the contract award decision is notified to bidders, and the final contract conclusion.

'SME / small-to-medium-enterprises' means an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.

'Specification' means a set of documented requirements to be satisfied by a material, design, product, or service.

'Social Value' means the consideration by a public sector authority to look beyond the financial cost of a contract to consider how the services they commission and procure can improve the economic, social and environmental wellbeing of an area.

'Tender' means an invitation above a certain threshold (see 14.4) for economic operators to submit their bids, outlining how they can fulfil the required specifications, at a specified price or rate.

'Value for money' means the most advantageous combination of cost, quality and sustainability to meet requirements.

'Vertical arrangement' means the arrangement set out in 14.7.

Report Summary Sheet

Date: Council – 19th of February 2025.

Subject: Updates to the Local Development Scheme.

Portfolio: Cabinet Member for Planning and Enforcement (Councillor. R. Roze).

From: Assistant Director for Planning (Louise Hryniw).

Summary:

The purpose of this report is to recommend to Council that the Local Development Scheme be amended to reflect the future work required and the changes required due to the National Planning Policy Framework which was published on 12th of December 2024; and that the new Local Development Scheme be adopted by Council.

Recommendations:

IT BE RECOMMENDED TO COUNCIL THAT:

The amendments to the Local Development Scheme be approved and the amended Scheme be adopted.

Options:

- For Council to endorse the recommendations and adopt the amended Local Development Scheme.
- For Council not to endorse the recommendations but recommend an alternative timetable.

Reasons:

To enable the Council to comply with the requirements of the Planning and Compulsory Purchase Act 2004 (as amended) and to align the Local Plan with the new National Planning Policy Framework.

Consultation undertaken with Members/Officers/Stakeholders

Consultation with the Portfolio Holder – Planning and Enforcement.

Subject to call-in: Yes.

Ward relevance: All.

Forward plan: Yes.

Building a Better Borough Aim: All.

Building a Better Borough Priority: All.

Relevant statutes or policy:

Planning and Compulsory Purchase Act 2004 (as amended) and the associated Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

National Planning Policy Framework (NPPF) (December 2024).

Planning Practice Guidance (PPG).

Equalities Implications: None.

Human resources implications:

The proposed Local Development Scheme work and timetable accounts for existing known staffing and resource levels.

Financial implications:

None for the Local Development Scheme Document but a new budget will be required for carrying out any future Reviews beyond the current Borough Plan Review under Examination. This further Review is necessary due to the requirements of the National Planning Policy Framework December 2024, and which means that when the current Borough Plan Review under Examination is adopted, a further new Review will need to commence to comply with the National Planning Policy Framework. This new Review will require carrying out a new raft of evidence base work some of which will require external consultants and will incur the cost of going through the Examination process again.

Health Inequalities Implications:

None for the Local Development Scheme Document.

Section 17 Crime & Disorder Implications:

N/A.

Risk management implications:

The Local Development Scheme Document time frames provided for the existing current Borough Plan Review (under Examination) is reliant on:

- a) Capacity of the examining Planning Inspectors.
- b) The agreement and approval of Modifications currently being discussed with the Inspectors.
- c) New consultation period required for the Modifications and potential subsequent responses of opposition to the changes.
- d) Agreement from the Inspectors that the current Review is sound and can proceed to adoption.
- e) Timings of Committee meetings.
- f) Agreement of full council to adopt.
- g) Legal challenges.

A future Review of the Borough Plan will be required due to the National Planning Policy Framework December 2024, immediately upon the existing Review being adopted. The risk implications for this future Borough Plan Review and for the Review of the Gypsy and Traveller Development Plan Document work and time frames are:

- a) The timetable will need to be approved by the Ministry of Housing, Communities and Local Government.
- b) This future Review will require the agreement of a new budget through the Council. This is in addition to that previously approved for the current Review under Examination.

- c) Staffing levels will need to be maintained to ensure the new Review can be carried out in the proposed timeframes.
- d) Any additional unforeseen work on staff time.
- e) Where there is a lack of in-house expertise for specialists work external, consultees will be required for evidence base work and time frames will be reliant on their capacity. This will include the procurement of a Green Belt Review at a time when numerous other Local Authorities will be procuring the same work.
- f) Joint work, Duty to Cooperate and emerging Plans of other Local Authorities.
- g) The new Review will be reliant on further emerging legislation.
- h) Significant opposition to the Review.
- i) Capacity of external organisations such as the Planning Inspectors and Statutory Consultees.
- j) Timings of Committee Meetings and reliance on political decision making.
- k) Soundness of new Review.
- l) Legal challenges.

Environmental implications:

None within the Local Development Scheme Document but new Reviews beyond the current Review, will be required to undergo new Sustainability Appraisals and Habitat Regulations Assessments to assess what any environmental implications are.

Legal implications:

The Local Development Scheme is a statutory requirement under the Planning & Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

Contact details:

Louise Hryniw

Assistant Director for Planning

Telephone (024) 76 376310

Email: louise.hryniw@nuneatonandbedworth.gov.uk

Sarah Matile

Principal Planning Policy Officer

Telephone (024) 76 376380

Email: sarah.matile@nuneatonandbedworth.gov.uk

AGENDA ITEM NO. 13e

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Council - 19th of February 2025.

From: Assistant Director for Planning (Louise Hryniw).

Subject: Updates to the Local Development Scheme.

Portfolio: Planning and Enforcement (Cllr R. Roze).

Building a Better Borough Aim: All.

Building a Better Borough Priority: All.

1. Purpose of Report

1.1 The purpose of this report is to recommend to Council that the Local Development Scheme be amended to reflect the future work required and the changes required due to the National Planning Policy Framework (NPPF) which was published on 12th of December 2024; and that the new Local Development Scheme be adopted by Full Council.

2. Recommendations

2.1 IT BE RECOMMENDED TO COUNCIL THAT:

- a) the amendments to the LDS be noted; and
- b) the amended LDS be adopted.

3. Background

3.1 An updated NPPF was published on 12th of December 2024 proposing multiple changes to national planning policy. On the same day, the Ministry of Housing, Communities and Local Government issued a letter relating to the NPPF's planning reforms. In the letter it stated that:

“In light of the new clear pathway provided by the revised NPPF and the above transitional arrangements, we now ask that Councils review and update their timetables for getting an up-to-date plan in place within the next 12 weeks. We are prepared to use our intervention powers if necessary to ensure updated timetables are

prepared, suitably ambitious plans are progressed and sound plans are adopted.”

Therefore, it is imperative that a new Local Development Scheme be in place by the 12-week time frame e.g. 6th of March 2025.

4. Borough Plan Review DPD

4.1 Under paragraph 234 of the latest NPPF (December 2024) it states that for the purpose of preparing local plans, the policies of the Framework will apply from 12th of March 2025 other than where one or more of the criteria in the paragraph apply. Criteria b applies to the Council. The criteria states:

“b. the plan has been submitted for examination under Regulation 22 on or before 12 March 2025:”

The Borough Plan Review was submitted to the Secretary of State for Housing, Communities and Local Government for Examination, under Regulation 22, on 12th of February 2024.

4.2 Given the plan making stage the Council are at; the requirement is that the present Borough Plan Review continues in its current Examination and is adopted (if considered sound by the Planning Inspectors). Then, in accordance with the new NPPF, the Council will be required to commence an immediate further review. This new Borough Plan Review will have to address the shortfall between the Borough Plan Review housing requirement of 545 dwellings per annum and the governments new standard method requirement for 737 dwellings per annum. This new further Review will require the Council agreeing to a new budget to pay for this work and will require a new raft of evidence base work including a Green Belt Review and new consultation work which will likely include a call for sites.

4.3 The amended table 1 below is proposed within the Local Development Scheme (February 2025) and outlines a timetable for the current Borough Plan Review but also sets out the proposed progression of the immediate Review required by the NPPF (December 2024).

Proposed Local Development Scheme timetable for the current Review and the Immediate Review required to reflect changes to the NPPF (December 2024)

Stage	Timescale	Opportunity for Public Involvement
Borough Plan Review		
Examination in Public (dependent on Planning Inspectorate’s work programme) and	February 2024 to February 2025	Yes

Stage	Timescale	Opportunity for Public Involvement
consultation on Main Modifications		
Receipt of Inspector's Report (dependent on Planning Inspectorate's work programme)	March 2025	No
Adoption (prediction only – dependent on Planning Inspectorate's work programme)	April to June 2025	No
Immediate subsequent Review after March 2025 due to the new National Planning Policy Framework		
Commencement/ evidence base scoping and call for sites	March 2025 to April 2026	No
Issues and Options Consultation	May 2026	Yes
Consultation on Preferred Options	May 2027	Yes
Publication (Regulation 19) consultation	May 2028	Yes
Submission to Secretary of State	October 2028	No
Examination in Public (dependent on Planning Inspectorate's work programme) and likely consultation on Main Modifications.	March 2029	Yes
Receipt of Inspector's Report (dependent on Planning Inspectorate's work programme)	March 2030	No
Adoption (prediction only – dependent on Planning Inspectorate's work programme)	April 2030	No

Table 1: Borough Plan Review Timetable

4.4 The wording of the Local Development Scheme has also been revised in places to represent the current situation of ongoing and proposed work. In addition, as the Local Development Scheme cover the next five

years, the Review of the Gypsy and Traveller Site Allocations Development Plan Document has also been included.

4.5 The Gypsy and Traveller Site Allocations DPD

4.6 The DPD was formally adopted by the Council on 18th of January 2024. The NPPF requires that Local Plans and spatial development strategies should be reviewed to assess whether they need updating at least every five years and that reviews should be completed no later than five years from adoption. In addition, the requirement under the DPD's monitoring targets is that a new Gypsy, Traveller and Showpeople Accommodation Assessment will need to be carried out within five years of adoption. Due to all of these requirements, an entire review will need to be completed by 18th of January 2029. As, the Borough Plan will also be going through review at the same time, there may be scope for some of the DPD to be combined within the future Borough Plan Review. However, at this current time, it is proposed to keep the two DPD's separate. The Gypsy and Traveller Site Allocations Review will need to commence in 2026. The timetable is proposed as follows:

Stage	Timescale	Opportunity for Public Involvement
Commencement/ scoping	June 2026	No
Gypsy, Traveller and Showpeople Accommodation Assessment	November 2026	Yes
In the event that a full Review is necessary and new sites are required, the proposed timetable is as follows:		
Call for sites	January 2027	Yes
Issues and Options Consultation	June 2027	Yes
Publication (Regulation 19) consultation	January 2028	Yes
Submission to Secretary of State	June 2028	No
Examination in Public (dependent on Planning Inspectorate's work programme) and likely consultation on Main Modifications.	October 2028	Yes
Receipt of Inspector's Report (dependent on Planning Inspectorate's work programme)	December 2028	No

Stage	Timescale	Opportunity for Public Involvement
Adoption (prediction only – dependent on Planning Inspectorate’s work programme)	January 2029	No

Table 2: Gypsy and Traveller Site Allocations DPD

5. Conclusion

5.1 The amendments to the Local Development Scheme should be noted to bring the Document in line with the latest work requirements and changes due to the NPPF (December 2024). It is recommended to Council that the Local Development Scheme February 2025 be adopted to supersede the Local Development Scheme September 2024.

6. Appendices

6.1 Appendix A – Proposed Local Development Scheme (February 2025).

7. Background Papers

7.1 The current, adopted Local Development Scheme from September 2024 can be viewed at:
[Local Development Scheme | Borough Plan | Nuneaton and Bedworth Borough Council](#)

The NPPF (December 2024) can be viewed at: [National Planning Policy Framework](#)

ENDS

Nuneaton and Bedworth Borough Council

Local Development Scheme February 2025

Contents

1.	INTRODUCTION	3
2.	Existing Planning Policy Documents	4
	Local planning policies	4
	Gypsy and Traveller Site Allocations DPD	4
	Warwickshire planning policies	4
3.	The emerging Planning Policy Framework	5
	Development Plan Documents.....	5
	Borough Plan Review	5
	Policies Map.....	7
	Gypsy and Traveller Site Allocations DPD	7
	Community Infrastructure Levy	9
	Supplementary Planning Documents (SPDs)	9
4.	EVIDENCE, RESOURCING AND RISK	10
	Evidence Base	10
	Sustainability Appraisal (SA) / Strategic Environmental Assessment (SEA)	10
	Monitoring	11
	Political Framework.....	11
	Resources.....	11
	Risk Assessment	12
5.	Contact Details	14

1. INTRODUCTION

1.1 This Local Development Scheme (LDS) has been prepared in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 (as amended). The LDS has two main functions:

1. To identify the current planning policy documents that are being applied in Nuneaton and Bedworth.
2. To provide a five-year project plan that outlines what the replacement planning policy documents will be and their stages of preparation.

1.2 The document is divided into the following sections:

- ***Existing Planning Policy***

Section 2 of the document provides an overview of the existing planning policy documents and guidance that cover the Borough.

- ***Documents to be Prepared***

Section 3 outlines the type and function of the documents that the Council will produce in forthcoming years.

- ***Supporting Statement***

Section 4 makes reference to the evidence base which will be used to inform emerging policy along with the Sustainability Appraisal work that will be required. A programme for monitoring and reviewing documents, the political framework for approval, the resources available and an assessment of the risks associated with the delivery of the LDS are also identified.

1.3 The Council's Authority Monitoring Report is produced annually and is required to assess Development Plan Document progress against the targets and milestones in the LDS. Where the milestones have not been met, up-to-date information will be provided on the Council's webpages.

2. EXISTING PLANNING POLICY DOCUMENTS

Local planning policies

- 2.1 The Nuneaton and Bedworth Borough Plan was adopted on 11th of June 2019. On adoption, the Borough Plan superseded the saved policies of the 2006 Nuneaton and Bedworth Local Plan. The Council has committed to a review of the Plan following its adoption to consider the implications of the updated National Planning Policy Framework and associated guidance.
- 2.2 There are adopted Supplementary Planning Documents (SPD) and Guidance (SPG) documents providing additional information or guidance on certain matters. These include:
- Affordable Housing SPD (2020).
 - Air Quality SPD (2020).
 - Concept Plan SPDs (for each of the strategic housing and employment allocations) (2020).
 - Health Impact Assessment SPD (2021).
 - Open Space and Green Infrastructure SPD (2021).
 - Planning for a Healthier Area – Hot Food Takeaways SPD (2020).
 - Shopfronts and Advertisements Design Guide SPG (1994).
 - Sustainable Design and Construction SPD (2020).
 - Transport Demand Management Matters – Parking Standards SPD (2022).
 - Conservation Area Appraisal and Management Plan SPDs (2022).
 - HSG2 Arbury Design Code SPD (2022).
 - First Homes Interim Policy Statement (2022).
 - Validation checklist (SPD) (2024).
- 2.3 Please note that limited weight can be afforded to the 1994 Shopfronts and Advertisements Guide SPG due to its age, however it has never been formally revoked.

Gypsy and Traveller Site Allocations DPD

- 2.4 The purpose of this policy document is to allocate sites to meet the Borough's identified need. The DPD was formally adopted by the Council on 18th of January 2024.

Warwickshire planning policies

- 2.5 Warwickshire County Council adopted a Waste Core Strategy Development Plan Document on 9th of July 2013. This strategy guides the future strategy and development of all new waste facilities in the County up to 2028. Further information on the Waste Core Plan can be viewed at:

- 2.6 The adopted Warwickshire County Council Minerals Local Plan (2018-2032) provides the planning policies to guide future minerals development within the County. Further information on the Minerals Plan can be viewed at: [Minerals Local Plan – Warwickshire County Council](#)

3. THE EMERGING PLANNING POLICY FRAMEWORK

- 3.1 This section identifies how the Council will deliver its future planning policy framework which comprises Development Plan Documents. The timetable forecasts provided below are the best estimates available at the time of publication. Where the milestones have not been met, up-to-date information will be provided on the Council's webpages. Periodic updates will also be provided to the Council's Borough Plan Committee, which meets on a quarterly basis.

Development Plan Documents

Borough Plan Review

- 3.2 The Council committed to undertaking a review of the adopted Borough Plan following its adoption in 2019 to address the updates to the National Planning Policy Framework at the time.
- 3.3 The Borough Plan Review 'Issues and Options' consultation document explored key policy issues in detail as well as potential options for addressing the issues. Such issues included meeting housing and employment needs, infrastructure delivery, town centre regeneration, Green Belt, climate change adaptation/mitigation, biodiversity, sustainable transportation and design. The Council also undertook a 'call for sites' which informed the Preferred Options. The Borough Plan Review needs to be underpinned by robust and up-to-date evidence to ensure 'soundness' and legal compliance for the examination stage and the evidence base was subsequently reviewed and updated. The Preferred Options stage was consulted upon between 13th of June 2022 and 22nd of July 2022. The Publication stage was consulted upon between 4th of September 2023 to 16th of October 2023.
- 3.4 The Borough Plan Review was submitted to the Secretary of State for Ministry of Housing, Communities and Local Government (formerly Levelling Up, Housing and Communities) on 12th of February 2024 in accordance with Regulation 22(3) of the Town and Country Planning (Local Planning) (England) Regulations 2012. The Examination in Public has been completed with three blocks of Hearings held in July, September and October 2024. The timetable below takes into consideration the Examination process, consultation for Main Modifications and the likely adoption date.

3.5 A new National Planning Policy Framework was published on 12th of December 2024. Due to the Borough Plan Review being at the Examination stage, the current Review (examined under the September 2023 National Planning Policy Framework version) will continue through the Examination process and subsequently be adopted once considered sound by the Planning Inspectors. However, as the Review will not meet the housing requirements of the new legislation, in accordance with national policy, the Council will be required to begin work on a new plan immediately to meet the new housing requirements. Therefore, the timetable below refers to the current ongoing Borough Plan Review and the new Review that will be required after 12th of March 2025.

Stage	Timescale	Opportunity for Public Involvement
Borough Plan Review		
Examination in Public (dependent on Planning Inspectorate’s work programme) and consultation on Main Modifications	February 2024 to February 2025	Yes
Receipt of Inspector’s Report (dependent on Planning Inspectorate’s work programme)	March 2025	No
Adoption (prediction only – dependent on Planning Inspectorate’s work programme)	April to June 2025	No
Immediate subsequent Review after March 2025 due to the new National Planning Policy Framework		
Commencement/ evidence base scoping and call for sites	March 2025 to April 2026	No
Issues and Options Consultation	May 2026	Yes
Consultation on Preferred Options	May 2027	Yes
Publication (Regulation 19) consultation	May 2028	Yes
Submission to Secretary of State	October 2028	No
Examination in Public (dependent on Planning Inspectorate’s work programme) and likely consultation on Main	March 2029	Yes

Stage	Timescale	Opportunity for Public Involvement
Modifications.		
Receipt of Inspector's Report (dependent on Planning Inspectorate's work programme)	March 2030	No
Adoption (prediction only – dependent on Planning Inspectorate's work programme)	April 2030	No

Table 1: Borough Plan Review Timetable

Policies Map

- 3.6 The purpose of the Policies Map is to illustrate the main proposals, designations and area-based policies covering the Borough. The Policies Map will be developed alongside the Borough Plan Review and other DPDs. The map will be reviewed as each additional new policy document is produced and as required by Modifications from the Planning Inspectors. A new policies map would be produced for any future review.

Gypsy and Traveller Site Allocations DPD

- 3.7 The National Planning Policy Framework requires that Local Plans and spatial development strategies should be reviewed to assess whether they need updating at least every five years and that Reviews should be completed no later than five years from adoption. The requirement under the DPD's monitoring targets is that a new Gypsy, Traveller and Showpeople Accommodation Assessment will need to be carried out within five years of adoption. Due to all of these requirements, an entire Review will need to be completed by 18th of January 2029. As, the Borough Plan will also be going through Review at the same time, there may be scope for some of the DPD to be combined within the future Borough Plan Review. However, at this current time, it is proposed to keep the two DPD's separate. The Gypsy and Traveller Site Allocations Review will need to commence in 2026. The timetable is proposed as follows:

Stage	Timescale	Opportunity for Public Involvement
Commencement/ scoping	June 2026	No
Gypsy, Traveller and Showpeople Accommodation Assessment	November 2026	Yes
In the event that a full Review is necessary and new sites are required, the proposed timetable is as follows:		

Stage	Timescale	Opportunity for Public Involvement
Call for sites	January 2027	Yes
Issues and Options Consultation	June 2027	Yes
Publication (Regulation 19) consultation	January 2028	Yes
Submission to Secretary of State	June 2028	No
Examination in Public (dependent on Planning Inspectorate's work programme) and likely consultation on Main Modifications.	October 2028	Yes
Receipt of Inspector's Report (dependent on Planning Inspectorate's work programme)	December 2028	No
Adoption (prediction only – dependent on Planning Inspectorate's work programme)	January 2029	No

Table 2: Gypsy and Traveller Site Allocations DPD

Community Infrastructure Levy

- 3.8 The Community Infrastructure Levy (CIL) is a charge which can be levied by local authorities on new development in their area.
- 3.9 In 2020, consultants Dixon Searle Partnership were appointed to develop a draft charging schedule of rates, based on updated viability analysis. The proposed charging rates were included in a Draft Charging Schedule and this was consulted on in October 2020.
- 3.10 Further detailed analysis was undertaken following the consultation process to compare how the proposed CIL rates would compare with the existing 'section 106' (s106) arrangements by assessing different planning applications of various types and sizes. It was concluded that for strategic scale developments, existing s106 processes would generate significantly more infrastructure funding than CIL, although CIL may generate more funding for smaller scale developments. Given the administrative burdens and costs associated with CIL implementation, it was considered that CIL may not be beneficial in the round compared to existing s106 arrangements. On 26th of May 2021, the Council's Cabinet resolved¹ that the CIL Charging Schedule should not be submitted to the Secretary of State for independent examination. The Council will continue to monitor emerging legislation and policy changes (e.g. the potential National Infrastructure Levy proposed as part of the 'Planning for the Future') and review whether a revised Levy approach is appropriate for the Council to pursue.

Supplementary Planning Documents (SPDs)

- 3.11 The Council is also preparing two SPDs that provide more detailed advice and guidance in relation to the implementation and interpretation of planning policies set out in the Borough Plan/DPDs. SPDs are not subject to examination but are subject to public consultation. Currently, the following SPDs are due to be progressed:
- Town Centres SPD.
 - Heritage SPD.
- 3.12 Subsequent to the adoption of the Borough Plan Review; the current adopted SPD's will be reviewed and where necessary amended and consulted upon to bring the SPD's in line with the new adopted Borough Plan and new National Planning Policy Framework. If it becomes apparent that additional SPDs are required (i.e. to provide necessary clarity to adopted policies), further information will be provided on the Council's Planning Policy webpages.

¹ <https://www.nuneatonandbedworth.gov.uk/meetings/meeting/2293/cabinet>

4. EVIDENCE, RESOURCING AND RISK

Evidence Base

- 4.1 Development Plan Documents must be based on up-to-date, robust evidence for them to be considered sound. In preparing the policy documents there is a need to undertake technical research and other background work. This work will be undertaken by the Council as well as external consultants on behalf of the Council where information of a specialist nature is required or where the time needed to undertake the work is not available in-house. All background/technical documents will be made available alongside the policy document to which they relate. Details of the existing evidence base can be found on the Council's Planning Policy webpages.

Sustainability Appraisal (SA) / Strategic Environmental Assessment (SEA)

- 4.2 Notwithstanding the emerging national policy planning reforms, existing legislation requires that all DPDs will be subject to a SA (which incorporates SEA). The purpose of SA/SEA is to assess the likely environmental, economic and social implications of the policies/ proposals in the documents. External groups and organisations are consulted on the SA and invited to contribute to the appraisal. The key stages of SA preparation are provided in table 3 below.

Stage	Key tasks
<u>Stage A</u> – Development of the SA framework and production of Scoping Report	<ul style="list-style-type: none"> • Identify other relevant policies, plans, programmes and sustainability objectives • Collect baseline information • Identify sustainability issues and problems • Develop the SA framework • Consult on the scope of the sustainability appraisal
<u>Stage B</u> – Appraisal of plan options	<ul style="list-style-type: none"> • Test the Plan objectives against the SA framework • Develop the plan options including reasonable alternatives • Assess the likely effects of each of the options • Consider ways of mitigating adverse effects and maximising beneficial effects • Propose measures to monitor the significant effects of implementing the plan
<u>Stage C</u> – Preparation of the final SA report	<ul style="list-style-type: none"> • Produce the final SA report based on the final plan ('Publication' version), documenting the appraisal process
<u>Stage D</u> – Consultation on the SA report	<ul style="list-style-type: none"> • Consult on the options/policies and SA report at the 'Publication' (regulation 19) stage
<u>Stage E</u> – Post adoption monitoring	<ul style="list-style-type: none"> • Prepare and publish post adoption statement • Monitor significant effects of implementing the Plan • Respond to adverse effects

Table 3: SA process

4.3 SPDs are exempt from the requirements for SA. Unless significant environmental effects are likely to result from implementation of the SPD, SEA is not required.

Monitoring

4.4 The process of monitoring and review is an important part of the current planning system. Central to this is an Authority Monitoring Report (AMR) which will be published by December each year. The AMR will:

- Identify how well the Council is performing when assessed against the targets/ milestones set out in the LDS.
- Examine the success of planning policies using key indicators and targets.
- Advise on the need to review the LDS and amend/ revise policies contained in policy documents.

Political Framework

4.5 Before submission to the Secretary of State for consideration, or formal adoption by the Council (in the case of SPDs), each document in the planning policy framework will require political approval. The level of approval will be determined by the status of the document and the stage it has reached in the preparation process. Listed in table 4 below are the levels of approval different types of documents will require at different stages of their preparation.

Document	Stage of Preparation	Level of Approval
Local Development Scheme	Publication	Cabinet Full Council
Development Plan Documents	Issues and Options consultation Publication consultation Submission to Secretary of State Adoption	Cabinet Cabinet Cabinet & Full Council Cabinet & Full Council
Supplementary Planning Documents	Consultation on Draft SPD Adoption	Cabinet Full Council
Authority Monitoring Report	Publication	-

Table 4: Political Approval Framework

Resources

4.6 The work associated with the production of the planning policy framework, its monitoring and review will primarily be undertaken by the Planning Policy team with contributions from other services within the Council as and when

required. Input from the Council's other services will be particularly valuable at the evidence gathering stage of policy development to help ensure that the Council's other Plans/ Strategies are integrated into the planning policy framework. In preparing documents, specialist services provided by consultants will also be utilised where necessary.

- 4.7 The cost of producing the planning policy framework including the existing Review currently under Examination, is currently being met through the existing service budget. Both staffing and budgetary resources will need to be monitored to ensure that there is adequate provision to enable the delivery of the LDS. The future Review needed is due to the requirements within the National Planning Policy Framework December 2024, and which means the Borough Plan will need to go into further Review immediately the existing Review under Examination is adopted.

Risk Assessment

- 4.8 This LDS has been drafted based on what is considered deliverable, based on information available at the time of drafting. Nevertheless, there are several risks which could jeopardise the Council's ability to deliver the documents that make up the planning policy framework within the timeframe identified (such as the proposed Government planning reforms). The Council has however attempted to minimise the risks by putting in place mitigation measures. The risks, their rating (in terms of likelihood and impact) and the mitigation measures that have been put in place to moderate and manage the risks are summarised in the table 5. The risk rating scores included are net risk scores and account for risk control and mitigation measures.

Risk	Likelihood (L)	Impact (I)	Rating (L x I)	Mitigation Measures
Internal Resources	2	3	6	<ul style="list-style-type: none"> • Early identification of budget requirements. • Keep budget under review.
Staff Turnover (Loss of staff and difficulty to recruit replacements, reflecting national shortage)	3	2	6	<ul style="list-style-type: none"> • Advertise posts as soon as possible to minimise length of vacancy. • Appoint consultants.
Additional Unforeseen Work/ Pressure on Staff Time	3	2	6	<ul style="list-style-type: none"> • Work associated with delivery of DPDs and SPDs prioritised within work programme.
Lack of In House Expertise for Specialist Areas of Work (E.g. Sustainable Appraisal, background work)	2	3	6	<ul style="list-style-type: none"> • Employ consultants to undertake work. • Train staff where appropriate.
Capacity of External Organisations (Planning Inspectorate (PINs) and Statutory Consultees)	2	3	6	Capacity is outside the Council's control but will minimise impact by: <ul style="list-style-type: none"> • Sending organisations a copy of LDS so aware of timetable. • Maintain Service Level Agreement with PINs. • Consult statutory consultees as early as possible.
New/ Replacement Government Policies and Guidance (E.g. Planning for the Future White Paper, revised NPPF/NPPG)	3	3	9	<ul style="list-style-type: none"> • Keep up to date on emerging policies and guidance to enable early response to changes
Political Decision Making	3	3	9	<ul style="list-style-type: none"> • Early involvement of Members in preparation of documents to maximise support.
Significant Opposition to Policy or Proposal	3	3	9	<ul style="list-style-type: none"> • Early and effective engagement in the consultation process (however it is unlikely that consensus will be reached between all stakeholders).
Timing of Committee Meetings (Dates of meetings only set on annual basis)	3	1	3	<ul style="list-style-type: none"> • Where necessary special meetings can be called.
Soundness of DPDs	3	3	9	<ul style="list-style-type: none"> • Documents to be based on robust evidence. • Community engagement undertaken in line with the Statement of Community Involvement. • Sustainability Appraisal undertaken. • Carry out soundness self assessment. • Work closely with PINs.
Legal Challenge	3	3	9	<ul style="list-style-type: none"> • Ensure 2004 Act and associated regulations followed. • Implement audit trail of processes and procedures.

Table 5: Risks associated with delivery of LDS

Key to Scoring

Likelihood

1. Low
2. Significant
3. High
4. Very High

Impact

1. Low
2. Moderate
3. Serious
4. Major

Rating

- 1 - 4 Low (green)
- 5 - 9 Medium (orange)
- 10+ High (red)

5. CONTACT DETAILS

5.1 For more information on this Local Development Scheme please contact: -

Planning Policy Team
Nuneaton and Bedworth Borough Council
Town Hall
Coton Road
Nuneaton
CV11 5AA

Tel: 024 7637 6328

Email: planning.policy@nuneatonandbedworth.gov.uk.

5.2 This document, and all other documents that make up the Planning Policy Framework, can be made available to view upon request at the Town Hall reception. Please check the Council's webpages² for the latest opening times and whether appointments are required. All documents will also be available on the Council's website: www.nuneatonandbedworth.gov.uk

²

https://www.nuneatonandbedworth.gov.uk/info/20052/get_involved_with_us/271/contacting_and_visiting_us

Report Summary Sheet

Date: 19th February 2025

Subject: General Fund Revenue Budget 2025/26

Portfolio: Resources and Customer Services

From: Strategic Director for Corporate Resources

Summary:

To present the General Fund revenue budget for 2025/26 for approval.

To provide an update on the General Fund Medium-Term Financial Plan (Appendix 2) taking account of the Local Government Finance Settlement for 2025/26.

Recommendations:

- That the forecast outturn position for the General Fund for 2024/25 be noted.
- That the Council Tax requirement for 2025/26 of £11,078,501, an increase of 2.99% on a Band D, is recommended to Council for approval in accordance with the Local Government Finance Act 1992
- To note that the NNDR1 has been completed and submitted to the Ministry of Housing, Communities and Local Government (MHCLG) and included within the Budget for 2025/26 with a precept for Nuneaton and Bedworth Borough Council (NBBC) of £18,079,252 in 2025/26.
- That Cabinet approve any increases in Fees and Charges for 2025/26 (Appendix 3).

- That the net General Fund revenue expenditure budget of £20,783,704 is agreed and recommended to Council for approval (Appendix 1).
- That the changes to cost centers and service areas as a result of the Constitution review approved at Annual Council in May 2025 is agreed and recommended to Council for Approval (Appendix 1).

Options:

To accept the report or request further information, having regard to the legal deadlines for setting of budgets.

Reasons:

To comply with regulations.

Consultation undertaken with Members/Officers/Stakeholders

Finance officers, budget holders and portfolio holders have been consulted on draft budgets.

Subject to call-in: No

Due to the timescales for setting a budget as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.

Ward relevance: All

Forward plan: Yes

Building a Better Borough Aim: Work

Building a Better Borough Priority: To grow a strong and inclusive economy

Relevant statutes or policy:

Local Government Act 2003
Local Government Finance Act 1992

Equalities Implications:

(Does this require an Equalities Impact Assessment? If so please append.)

None

Human resources implications:

None

Financial implications:

Detailed in the report

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

All budgetary decisions will need to be risk assessed to ensure they are achievable and to be fully aware of any implications.

Environmental implications:

None

Legal implications:

The Council must set a risk assessed balanced budget each year. In addition, the Cabinet must comply with the Budget & Policy Framework Procedure Rules set out in section 4C of the Council's Constitution.

Contact details:

Vicki Summerfield

Victoria.summerfield@nuneatonandbedworth.gov.uk

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet - 19th February 2025

From: Strategic Director for Corporate Resources

Subject: General Fund Revenue Budget 2025/26

Portfolio: Resources and Customer Services (Councillor S Hey)

Building a Better Borough Aim: Work

Building a Better Borough Priority: Grow a strong and inclusive economy

1.0 Purpose of Report

- 1.1 To present the General Fund revenue budget for 2025/26 for approval.
- 1.2 To provide an update on the General Fund Medium-Term Financial Plan (Appendix 2) taking account of the Local Government Finance Settlement for 2025/26.

2.0 Recommendations

- 2.1 That the forecast outturn position for the General Fund for 2024/25 be noted.
- 2.2 That the Council Tax requirement for 2025/26 of £11,078,501, an increase of 2.99% on a Band D, is recommended to Council for approval in accordance with the Local Government Finance Act 1992
- 2.3 To note that the NNDR1 has been completed and submitted to the Ministry of Housing, Communities and Local Government (MHCLG) and included within the Budget for 2025/26 with a precept for Nuneaton and Bedworth Borough Council (NBBC) of £18,079,252 in 2025/26.
- 2.4 That Cabinet approve any increases in Fees and Charges for 2025/26 (Appendix 3).
- 2.5 That the net General Fund revenue expenditure budget of £20,783,704 is agreed and recommended to Council for approval (Appendix 1).
- 2.6 That the changes to cost centres and service areas as a result of the Constitution review approved at Annual Council in May 2025 is agreed and recommended to Council for Approval (Appendix 1).

3.0 Forecasted Outturn 2024/25 as at December 2024

- 3.1 The General Fund revenue net expenditure budget for 2024/25 of £19.1m was approved at full Council in February 2024 with an initial budget gap of £4.03m being closed by introducing savings targets, additional income from the Local Government Finance Settlement plus a favourable forecast on the Collection Fund.
- 3.2 Cost pressures have been seen during the year, some of which are due to the economic climate. There has also been some additional income generation above budgeted levels which has helped to mitigate some of the overspend.
- 3.3 The forecasted underspend against the budget for 2024/25 as at Q3 is approximately £55k which is a change of £45k from a forecasted underspend of £10k at Q2. Full detail will be reported to Cabinet in March 2025. The main areas of variances are as follows:
- Increased expenditure / loss of income in relation to the opening of the Hampton by Hilton Hotel
 - Homelessness and the resulting loss of subsidy through Housing Benefit has been a significant cost in year with an anticipated overspend of £395k
 - Increased costs for insurance premiums
 - Pressures from the delay in signing the Civic Hall lease
 - Uplifted rates in relation to the Grounds Maintenance Contract costs
 - Reduced recyclable income from the Sherbourne MRF accompanied by additional contractor payments for recycling
 - Increased costs of vehicle hire and agency arrangements
- 3.4 As noted at 3.2, there has been some additional income generation / reduced expenditure that is helping to mitigate the overspend as follows:
- Increased planning application fees
 - Investment income is also likely to be higher than budget, but a full review of longer-term investments is underway and will be reported as part of the Q3 report
 - External interest costs lower than anticipated due to delaying the need for borrowing
 - Additional homelessness prevention grant offsetting the subsidy losses
- 3.5 The forecasted underspend is to be contributed to earmarked reserves set-aside for future financial resilience.

4.0 Local Government Finance Settlement

- 4.1 The Local Government Finance Settlement was announced on 5th February 2025 and the budget has been updated.
- 4.2 The main points to note for the Council is that the funding guarantee grant has not continued into 2025/26, but the introduction of a recovery grant based on deprivation has replaced this funding. In addition, the Council will receive compensation for the employer National Insurance increases.
- 4.3 For the Council, the Settlement resulted in the Council's core spending power (excluding Council Tax) reducing by 1.61%. New Homes Bonus reduced to £1,027k from £1,181k in 2024/25 and no Funding Guarantee grant was allocated for 2025/26 which is a loss of £552k between years. A Recovery grant of £514k has been allocated by Government alongside £121k for compensation in relation to the increased employer National Insurance contributions. The Revenue Support Grant has increased from £169k to £209k which has meant an overall reduction in the non-specific funding by £31k in comparison to 2024/25.
- 4.4 In addition, the increase of 2.99% on a Band D property and the increase in tax base to 40,809.3 has resulted in an increase of £512k in Council Tax between years for NBBC and is £321k more income than included in the draft budget. The Band D of £271.47 is an increase of £7.88.
- 4.5 Future Local Government Finance Settlements are expected to be multiyear settlements, allowing longer term planning for future budgets.
- 4.6 A consultation on Local Authority Funding Reform was part of the provisional settlement which was open for the Council to comment on until the 15th January 2025. These details included key plans which were outlined to address the current system for funding, the oversight and standards in local audits and the resetting of the Business Rates Retention System which is expected in 2026/27.

National Non-Domestic Rates (NNDR)

- 4.7 The return for NNDR forecasting the income position for 2025/26 has been submitted to DLUHC and a summary of the position included within the budget is included in the following table.

	2024/25 £	2025/26 £	Movement £
Income after Levy	16,752,339	17,525,802	773,464
Surplus / (Deficit)	1,351,683	1,506,079	154,396
Tariff	(11,223,277)	(11,346,032)	(122,755)
	6,880,745	7,685,849	805,105

4.8 In previous years and due to the pandemic, business rates were impacted significantly with much lower levels of income generation due to the Government introducing new business rates reliefs to support businesses through the periods of closure. This resulted in large deficits on the fund which local authorities were able to spread over a three-year period through legislation. The Council is now experiencing a surplus position in 2024/25, far exceeding the original forecast and this will continue into 2025/26.

4.9 An increase in the provision for appeals has been included within the NNDR return as a revaluation of business rates was implemented on 1st April 2023 and this will undoubtedly result in a peak in claims against the amended rateable values.

5.0 **Budget Position 2025/26**

5.1 The draft budget was presented to Cabinet in December 2024 and a deficit position of £2.96m was reported.

5.2 Work has been undertaken to bridge the budget gap with savings and income generation accompanied by the Local Government Finance Settlement resulting in a balanced budget position for 2025/26.

5.3 Additional pressures were highlighted during the finalisation of the budget and a breakdown of the final position is summarised in the following table:

	2025/26 £'000
General Fund Draft Budget Deficit	2,960
<u>Changes in Funding:</u>	
Increase in Business Rates Retention	(£651)
Use of Extended Producer Responsibility Grant	(£339)
Increase in Homelessness Grant	(£325)
Increase in Government Grants (Revenue Support Grant / National Insurance Compensation)	(£292)
Increase in Business Rates Pool Surplus	(£154)
Business Rates Levy Distribution	(£31)
Increase in New Homes Bonus	(£17)

<u>Additional Changes since the Draft Budget:</u>	
Match Funding for Creative People and Place Programme Bid	£75
Increase in Insurance Premium costs	£58
Increase in costs for Members Allowances	£40
Waste Enforcement Contract Arrangement Ending	£20
Increased costs for Re-Tender of Election Software	£15
Recycling Collections Contract Reduced from 7 to 6 Rounds	(£176)
Increase in Planning Fee Income	(£122)
Self-Erect Markets	(£116)
Business Rates Costs for NBBC	(£40)
Increase in Chargeable Income for Revenues and Benefits	(£31)
Final Deficit to Fund	874
<u>Labor Group Funding Decisions</u>	
Council Tax Increase at 2.99%	(£321)
Additional use of Extended Producer Responsibility Grant	(£250)
Increase in rent for Eaton House	(£122)
Reduction in Bridge Repairs Budget	(£117)
Removal of Grounds Maintenance Provision	(£90)
Removal of Parks Renewal Budget (Revenue Contribution to Capital)	(£75)
Removal of Borough Sweep Budget	(£60)
Car Parking Income Increases	(£50)
Fees and Charges Increases	(£28)
Removal of Growth for Climate Change	(£15)
<u>Growth Items:</u>	
Increase in FTE for Tree Surveying	£52
Improvements in Council Chamber Infrastructure	£50
Maintenance of the Town Hall	£40
Consultancy in relation to Empty Homes	£30
Funding for Devolution Scoping	£25
Increase in FTE to Deliver Events	£22
Additional Resources to Deliver Events	£10
Increased Budget to deliver Stock Condition Surveys	£10
Consultancy Budget for IT	£10
Increase Third Sector Contributions by 3%	£4
Total Deficit / Surplus	(1)

- 5.4 The additional income received within the Settlement is proposed to be included in full during 2025/26 which has supported the General Fund. Savings will be required into the future to ensure financial sustainability of the Council. Refer to section 6 and the detail around the MTFP.

Additional Changes since the Draft Budget

- 5.5 In addition to receiving the final settlement, service changes and further budget reviews have resulted in additional changes since the Draft Budget report which combined to fund £277k in total of the draft deficit.
- 5.6 A bid allowing more creative and cultural projects to be delivered across the borough will require £75k match funding during 2025/26 and 2026/27 if successful.
- 5.7 A review of tenders, contracts and decisions approved by Cabinet have seen additional pressures added to the draft deficit in relation to insurance premiums, members allowances, a waste enforcement contract and re-tendering for elections software.
- 5.8 Following discussions with Coventry City Council, the delivery of our recycling collections will be reduced from 7 rounds to 6, creating a significant saving.
- 5.9 Following a further review of previous year trends on income and expenditure for the authority, budgets for planning and revenues and benefits income were increased with business rates costs for the Council reducing.
- 5.10 Following a decision made early in 2024/25 the markets budgets have been amended for the shift in operation to self-erect markets.

Labour Group Funding Decisions

- 5.11 Increasing the council tax by the maximum 2.99% will increase funding to deliver services.
- 5.12 The grant of £1.339m received for Extended Producer Responsibility is not ringfenced and £589k of this has been used to offset increased recycling costs as reported in the Draft Budget Report. The remainder of the unused grant has been earmarked for a service review to result in long term efficiencies within the Refuse & Recycling service.
- 5.13 An increase in-line with December's CPI on fees and charges that are not statutory other than car parking and homelessness nightly charges which have seen different changes will result in more income generation.

- 5.14 A budget for bridge repairs of £167k was set aside in 2024/25. After a review this has been reduced by £117k to prioritise a maintenance programme.
- 5.15 With the Grounds Maintenance contract having fixed price increases over the next 2 contractual years the provision for price increases and consultancy is no longer needed with the re-tendering work already in progress.
- 5.16 A capital contribution for parks renewals has not been fully utilised in previous years. It is an objective to utilise section 106 monies whilst developing a parks strategy to better understand the requirements in for funding in the near future.
- 5.17 The growth requested for Climate Change has been removed for 2025/26 whilst a strategy is finalised.
- 5.18 Services for additional borough sweeps will be reviewed in-line with the Refuse and Recycling review mentioned in 5.12 which results in a saving of £60k.

Growth Items:

- 5.19 Increasing the full time equivalent for Tree officers will allow further surveying and expertise when looking after our tree population across the borough. This will also assist in planning applications requiring less reliance on external resources.
- 5.20 In order to address the maintenance off the Council's assets, additional budget has been allocated for stock condition surveys as well as maintenance to the town hall alongside specific works on the Council Chamber. This information will allow an asset management plan to be reviewed / formulated to have more evidenced based budgeting in the MTFP.
- 5.21 A review is currently on-going across the borough to identify empty properties in order for the Council to utilise powers in getting them back into use. The budget growth is to allow additional support which will achieve benefits for homelessness and income generation through business rates and council tax.
- 5.22 Following the Government white paper published December 2024 which set out plans to deepen and widen devolution, the Council will require some budget to scope out options and formulate plans in the future.
- 5.23 To allow more events to be delivered across the borough, the full-time equivalent staff and resources have been increased within the budget.

5.24 Some smaller growth has been added for increasing the third sector contributions by 3% and adding in £10k consultancy for IT to allow work to begin on planning to improve the IT infrastructure.

6.0 Medium-Term Financial Plan (MTFP)

6.1 A revised Medium-Term Financial Strategy was reported to Cabinet in November 2022 and was noted in the report that the Plan that accompanies the Strategy will be updated and presented during the budget process. An update to the Strategy will be undertaken once the planned multi-year settlement is released.

6.2 The MTFP includes all of the updates considered within this report and shows that a balanced budget has been achieved in year. A level of reserves is still set to be drawn down in 2025/26 with contributions also being made for future capital and strategy works.

6.3 A summary of the anticipated position in future years is included below with detail contained in Appendix 2.

GENERAL FUND MEDIUM-TERM FINANCIAL PLAN

	Budget 2024.25 £'000	Proposed Budget 2025.26 £'000	Forecast 2026.27 £'000	Forecast 2027.28 £'001	Forecast 2028.29 £'002
Portfolio Expenditure	20,825	23,027	24,152	25,025	25,857
Central Provisions	-1,695	-2,243	-1,906	-890	-703
Additional Pressures/Opportunities	-55	0	-1,855	-2,125	-2,250
Total Funding	-19,133	-20,784	-18,314	-17,646	-18,206
Deficit	-58	-0	2,076	4,364	4,698

6.4 The in-year anticipated surplus is to be contributed to the financial resilience reserve to ensure there is provision for future pressures that may arise.

6.5 Transformation processes have started, and it is expected that a number of savings will be generated during 2025/26, especially with full service reviews and these will be embedded into the base budget in 2026/27. These potential savings have been built into the forecast.

6.6 There is still an expectation that reserve drawdowns will be required during 2025/26 and throughout the life of the plan. Some of these drawdowns however are for projects already committed to and capital works. Overall, the Council's earmarked reserves position is set to reduce significantly during the coming years and therefore it is

essential that process reviews are undertaken to generate efficiencies and revised ways of working.

6.7 At this stage, it is still unknown how the Government will look to fund local authorities into the future but it has been suggested that a multi year settlement is due in December 2025. This will provide a greater level of certainty regarding funding and any resulting expenditure pressures. A summary of assumptions included within the Plan is listed below:

- 3.0% salary increase in 2026/27, reducing to 2.5% salary from 2027/28 onwards
- Inflation but only where contractual obligations exist
- Council Tax referendums will remain at 2.99% on a Band D and this is built in going forwards
- A 1% tax base increase per annum on Council Tax
- NNDR is assumed to face a reset in 2026/27, but transitional support has been built in
- New Homes Bonus will cease from 2026/27
- Planning fee income is assumed to remain at the same level as included for 2024/25 but planning performance agreements and pre-application income are likely to generate higher levels of income than currently forecast. This will be kept under review.

6.8 In addition to the funding risks, nothing is yet built into the MTFP for food waste which will go live in April 2026. New Burdens funding will be received to support but nothing has yet been indicated to the Council regarding how much. The upcoming food waste operational pressures will be considered as part of the Refuse & Recycling service review noted earlier in the report.

7.0 Reserves

7.1 Earmarked reserves are held for specific purposes and transfers to and from reserves have been made in year for both revenue and capital purposes.

7.2 As at 31st March 2024, the Council held £14.3m in specific earmarked reserves and there is an expected drawdown of approximately £0.68m from reserves during 2024/25. This is due to commitments already approved, funding that is set-aside for specific purposes less the anticipated surplus during 2024/25.

7.3 A summary of earmarked reserves by category and anticipated drawdown is shown in the following table.

GENERAL FUND EARMARKED RESERVES

	B/fwd 2023/24 £'000	Forecast 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000	Forecast 2028/29 £'000
Collection Fund Timing	387	0	0	0	0	0
Financial Planning	1,310	1,368	1,818	1,498	898	298
Risk Based Reserves	5,746	5,746	5,446	4,846	3,157	1,315
General Balances	4,448	4,448	4,338	4,238	3,220	2,020
Capital	2,418	2,068	1,718	1,368	1,018	668
	14,309	13,630	13,320	11,950	8,293	4,301

7.4 Reserve levels are expected to fall over the life of the forecast but and work is being undertaken to mitigate this risk. As with the MTFP, it is currently difficult to forecast anything past the next 12 months due to the uncertainty of funding. It is however clear that the Council needs to review its cost base and income generation opportunities as a matter of urgency.

7.5 For the purposes of the budget round and moving into 2026/27, there are sufficient reserves to cover known issues and potential risks, but a robust plan needs to be put in place around future service delivery with reduced resources to ensure financial stability.

8.0 Financial Risk Analysis

8.1 As part of determining whether the Council has financial stability, risk analysis regarding the financial position needs to be considered.

8.2 The Council faces financial risks from a number of sources, some of which are unforeseen and to ensure the authority is able to operate, specifically statutory obligations, it is essential to understand the risks and ensure mitigation is in place.

8.3 Full risk analysis has been undertaken and is included in Appendix 4.

9.0 Statement of the S151 Officer

9.1 In their role as the Council's S151 Officer (Chief Finance Officer), the Strategic Director – Corporate Resources is required, under S25 of the Local Government Act 2003, to provide an opinion of the robustness of the estimates included in the budget for the forthcoming year and the adequacy of the Council's reserves.

- 9.2 The Council's financial position has not altered greatly in the last few years with a need to generate savings and income being key. The budget setting process for 2025/26 is no different.
- 9.3 A forecasted underspend in the current financial year will help to support the longer-term financial position of the Council but this will not fix the ongoing high cost base. The proposed savings through transformation projects over the next few years must be measured to ensure that these are achieved for sustainability.
- 9.4 Although the Local Government Finance Settlement provided a reduced level of funding comparable to 2024/25 but the increased level of grants for homelessness has provided support for benefit subsidy losses and the recycling grant has provided opportunity to earmark income for a full service review. In addition, there is still funding remaining from the money set-aside in the settlement for 2023/24 for transformation projects. It is essential that the transformation plan is endorsed to save money and create efficiencies to improve the future financial position of the Council.
- 9.5 As noted in section 7 of the report, the Council holds reserves for risks and analysis conducted suggests that these are robust and will enable to support the Council over the coming 12 months. The budget is balanced, and a plan is in progress to deliver savings over the next two years.
- 9.6 Considering the above, together with the proposals within the report, it is the view of the Strategic Director – Corporate Resources that the estimates for 2025/26 are robust and the proposed level of reserves are adequate.

10.0 Conclusion

- 10.1 That a balanced budget is proposed and that a robust level of reserves are in place to support the Council's services during 2025/26.

11.0 Appendices

- 11.1 Appendix 1 – Detailed Budget Breakdown
- 11.2 Appendix 2 – Medium-Term Financial Plan
- 11.3 Appendix 3 – Fees and Charges 2025/26
- 11.4 Appendix 4 – Risk Analysis

Appendix 1

GENERAL FUND BUDGET 2025/26

	2024/25 Budget	2024/25 Budget (Service Changes)	2025/26 Draft Budget	2025/26 Final Budget
	£	£	£	£
Markets & Street Trading	138,930	138,930	164,641	53,301
Town Centre Management	226,732	652,462	691,315	631,332
West Midlands Combined Authority	30,000	30,000	30,000	30,000
Car Parks	26,963	26,963	180,638	72,439
Public Passenger Transport	49,122	49,122	59,889	57,499
Public Conveniences	135,478	135,478	146,128	146,128
Marketing, Promotions and Publicity	55,120	55,120	58,870	92,850
Commercial Property	(1,420,386)	(1,420,386)	(1,000,279)	(1,046,219)
Industrial Estates	(190,161)	(190,161)	(193,669)	(193,669)
Economic Development	441,576	441,576	467,600	465,950
Estates	161,290	492,559	513,309	801,100
Business & Regeneration Total	(345,337)	411,663	1,118,442	1,110,711
Rent Allowances	82,508	82,508	82,510	82,510
Rent Rebates	740,600	740,600	740,602	740,602
Electoral Registration	80,355	80,355	96,685	111,685
Election Expenses	115,735	115,735	78,500	78,500
Equal Opportunities	1,150	1,150	52,270	51,960
Emergency Planning	31,400	31,400	31,400	31,400
Democratic Representation and Management	334,378	334,378	323,875	364,185
Revenues	1,243,905	1,243,905	1,413,725	1,402,795
Council Tax Benefits	0	0	0	0
Corporate Management	9,406,719	5,019,315	5,586,931	5,216,341
Non Distributed Costs	0	0	0	0
Mayoralty	16,290	16,290	16,290	16,290
Resources and Customer Services Total	12,053,041	7,665,636	8,422,788	8,096,268
Health Promotion & Inequalities	0	0	0	0
Cemeteries	47,811	47,811	99,972	96,092
Allotments	(1,588)	(1,588)	(1,045)	(1,125)
Parks	2,108,000	2,741,272	2,905,426	2,869,784
Community Recreation	1,094,324	1,218,181	1,308,673	1,308,740
Sports Development	22,422	22,422	22,420	22,420
Civic Hall	337,167	337,167	2,500	0
Museum	204,860	268,325	276,177	274,837
Arts Development	40,150	40,150	40,150	115,150
Community Development	1,950	1,950	1,950	1,950
Voluntary Bodies	138,090	138,090	138,090	142,383
Community Safety	89,930	89,930	93,870	93,580

Community Centres	69,939	69,939	69,918	70,018
Leisure, Communities and Health Total	4,153,055	4,973,649	4,958,102	4,993,829
Housing Advice Centre	(506,244)	(506,244)	(535,130)	(981,682)
Private Sector Grants	73,540	73,540	95,790	94,880
Housing Strategy	0	574,109	658,439	1,062,242
Private Sector Housing Standards	(10,981)	(10,981)	(8,979)	(11,822)
Mobile Home Sites	(94,453)	(94,453)	(95,740)	(100,150)
Housing Total	(538,138)	35,971	114,380	63,468
Environmental Protection	169,365	169,365	181,931	180,731
Food & Occupational Safety	253,216	253,216	271,935	271,375
Land Drainage Works	0	0	0	0
Street Nameplates	8,660	8,660	9,660	9,660
Building Control	51,047	51,047	95,911	95,911
Development Control	(548,630)	(548,630)	(334,210)	(456,650)
Planning Policy & Applications	342,430	1,413,863	1,496,513	1,540,000
Land Charges	(58,979)	(58,979)	(58,979)	(61,119)
Licences	(100,506)	(100,506)	(84,996)	(90,556)
Health & Safety	105,349	105,349	110,819	93,812
Planning and Enforcement Total	221,951	1,293,385	1,688,584	1,583,164
Refuse & Cleansing	3,648,168	3,648,168	4,011,244	3,953,294
Recycling	1,519,837	1,519,837	2,402,956	1,618,114
Neighbourhood Management	0	1,164,270	1,322,118	1,304,861
Footpath Lighting	5,300	5,300	6,300	6,300
Environmental Projects	63,425	63,425	63,204	63,204
Environmental Sustainability	45,000	45,000	60,000	45,000
Environment and Public Services Total	5,281,730	6,446,000	7,865,822	6,990,773
Portfolio Total	20,826,304	20,826,304	24,168,117	22,838,213
Central Provisions	641,755	641,755	523,416	433,416
Depreciation & Impairment	(3,096,530)	(3,096,530)	(3,096,530)	(3,096,530)
Contributions To/From Reserves	(1,435,806)	(1,435,806)	(1,435,806)	(1,435,806)
Financing of Capital Expenditure	1,200,000	1,200,000	1,200,000	1,125,000
PWLB Premiums	21,120	21,120	21,120	21,120
Investment Income	(582,508)	(582,508)	(741,320)	(741,320)
Minimum Revenue Provision	580,290	580,290	662,811	662,811
External Interest	976,798	976,798	976,800	976,800
Total Council Net Expenditure	19,131,423	19,131,423	22,278,608	20,783,704
Council Tax	(10,566,339)	(10,566,339)	(10,757,046)	(11,078,501)
New Homes Bonus	(1,180,874)	(1,180,874)	(1,010,472)	(1,027,339)
General Government Grants	(552,494)	(552,494)	(552,494)	(844,000)
Business Rates Retention	(5,529,042)	(5,529,042)	(5,529,046)	(6,210,770)
NDR Collection Fund (Surplus)/ Deficit	(1,351,683)	(1,351,683)	(1,351,683)	(1,506,079)
Council Tax Collection Fund (Surplus)/ Deficit	46,896	46,896	(117,378)	(117,378)
Total Funding	(19,133,536)	(19,133,536)	(19,318,119)	(20,784,067)
(Surplus) / Deficit	(2,113)	(2,113)	2,960,489	(363)

GENERAL FUND MEDIUM-TERM FINANCIAL PLAN

	Budget 2024.25 £'000	Proposed Budget 2025.26 £'000	Forecast 2026.27 £'000	Forecast 2027.28 £'000	Forecast 2028.29 £'000
Portfolio					
Business & Regeneration	412	1,289	1,194	1,273	1,355
Environment & Public Services	6,446	6,991	7,424	7,746	8,016
Housing	35	63	445	520	597
Leisure, Communities & Health	4,974	4,994	5,080	5,161	5,244
Planning & Enforcement	1,293	1,593	1,658	1,713	1,770
Resources & Customer Services	7,666	8,096	8,351	8,611	8,874
Portfolio Expenditure	20,825	23,027	24,152	25,025	25,857
Accounting Adjustments					
Depreciation	-3,097	-3,097	-3,097	-3,097	-3,097
Minimum Revenue Provision	580	530	677	970	1,089
Interest Payable	998	941	1,241	1,831	1,792
Interest Receivable	-583	-741	-667	-534	-427
Financing of Capital Expenditure	1,200	1,125	942	942	942
Contributions to/from reserves	-1,436	-1,436	-1,436	-1,436	-1,436
Central Provisions	642	433	433	433	433
Net Expenditure	19,130	20,784	22,245	24,134	25,154
Provisions					
Forecasted Outturn	-55	0	0	0	0
Regeneration Income	0	0	-900	-1,050	-1,050
Transformation Savings	0	0	-1,200	-1,200	-1,200
Upgrade to Chamber Infrastructure	0	0	125	125	0
Borough Election	0	0	120	0	0
Additional Pressures/Opportunities	-55	0	-1,855	-2,125	-2,250
Funding					
NNDR	-6,881	-7,686	-5,268	-4,441	-4,763
Council Tax	-10,519	-11,196	-11,524	-11,987	-12,469
New Homes Bonus	-1,181	-1,027	0	0	0
General Government Grants	0	-361	0	0	0
Recovery Grant	0	-514	0	0	0
Funding Guarantee	-552	0	0	0	0
Transitional NNDR Reset	0	0	-1,522	-1,218	-974
Total Funding	-19,133	-20,784	-18,314	-17,646	-18,206
Deficit	-58	-0	2,076	4,364	4,698

Fees & Charges 2025/26

General Fund	2024/25 Fee	2025/26 Proposed Fee	% Change
<u>Cemeteries</u>			
Exclusive Rights of Burial Under 18 Years	510.00	523.00	2.50%
Exclusive Burial Rights – 50 Years	1,174.00	1,203.00	2.50%
Reservation of a Burial Plot (Marston Lane only)	1,174.00	1,203.00	2.50%
Deed of Grant Transfer Fee	81.00	83.00	2.50%
Grave for Person Under 18 Years	762.00	781.00	2.50%
Grave Depth for One Person	762.00	781.00	2.50%
Grave Depth for Up to Two Persons	1,005.00	1,030.00	2.50%
Grave Depth for Three Persons	1,232.00	1,263.00	2.50%
Grave Depth Burial with Ashes casket inside the coffin	314.00	322.00	2.50%
Grave Depth Burial with Ashes Casket	314.00	322.00	2.50%
Short Notice Internment – Saturday (in addition to Burial: Internments fee)	300.00	308.00	2.50%
Short Notice Internment – Sunday & Bank Holidays (in addition to Burial: Internments fee)	601.00	616.00	2.50%
Fees Grave Care	64.00	66.00	2.50%
Exhumation Applications	33.00	34.00	2.50%
Genealogy Requests	16.50	16.50	2.50%
Administration Charge	32.50	33.50	2.50%
Exclusive Cremated Remains Rights	583.00	598.00	2.50%
Reservation of a Burial Plot (Marston Lane only)	583.00	598.00	2.50%
Exclusive Cremated Remains Rights – Outside Borough	1,250.00	1,281.00	2.50%
Deed of Grant Transfer	81.00	83.00	2.50%
Internment of Cremated Remains	314.00	322.00	2.50%

Fees: Usher Service – Scattering of Ashes	60.00	62.00	2.50%
Scattering of Ashes from External Sources	134.00	137.00	2.50%
Rights to Erect a Memorial	280.00	287.00	2.50%
Additional Inscriptions	105.00	108.00	2.50%
Small Memorial Vase	80.00	82.00	2.50%
Benches	925.00	948.00	2.50%
Memorial Tree and Boulder	Variable	Variable	
Replacement Plaques to Tree or Benches	Variable	Variable	
Book of Remembrance and Tablets	33.00	34.00	2.50%
Memorial Blocks and Tablets	533.00	546.00	2.50%
Vase Block Renewal	368.00	377.00	2.50%
Replacement Vase Block Plaques	112.00	115.00	2.50%

Football & Cricket

Pitch Only (per game)	20.50-36.00	21.50-37.00	2.50%
Pitch & Showers (per game)	28.00-65.00	29.00-67.00	2.50%
Mini Soccer (per game)	13.00-16.00	13.00-16.00	
Seasonal Senior Charge with Changing	645.00	661.00	2.50%
Seasonal Senior Charge without Changing	385.00	395.00	2.50%
Cricket Pitch & Pavilion - Local Groups (Per Hour)	38.00-65.00	39.00-67.00	2.50%
Cricket Pitch & Pavilion - Out of Borough (Per Hour)	52.00-91.00	53.00-93.00	2.50%
Pavilion - Local Groups (Per Hour)	13.00	13.00	
Pavilion - Out of Borough (Per Hour)	16.00	16.00	
Pavilion Play Groups - Local Groups (Per Hour)	20.00	21.00	2.50%
Pavilion Play Groups - Out of Borough (Per Hour)	23.00	24.00	2.50%
Bowls games (Per Game)	16.50	16.50	2.50%
Pingles Stadium	65.00-110.00	73.00-123.00	2.50%

Parks

Funfair (per day) trading day	370.00	379.00	2.50%
Funfair - bond returnable	615.00	630.00	2.50%
Funfair (per day) non-trading day	75.00	77.00	2.50%
Miscellaneous Events - Commercial groups	340.00	349.00	2.50%
Miscellaneous Events - National Registered Charity	155.00	159.00	2.50%
Miscellaneous Events - Local Charity	-	-	
Day Hire of Destination Park - Commercial	615.00	630.00	2.50%
Day Hire of Destination Park - National Registered Charity	305.00	313.00	2.50%
Day Hire of Destination Park - Local Charity	-	-	
Commercial Personal Training - 6 month permit peak (Apr-Sep)	140.00	144.00	2.50%
Commercial Personal Training - 6 month permit off-peak (Oct-Mar)	225.00	231.00	2.50%
Commercial Personal Training - 12 month permit (Flat Rate)	200.00	205.00	2.50%
Leaflet/Sampling - 1st Person Leafleting	185.00	190.00	2.50%
Leaflet/Sampling - Per Person Thereafter	75.00	£77.00	2.50%
Bouncy Castle/Inflatables - Large	125.00	128.00	2.50%
Bouncy Castle/Inflatables - Small	65.00	67.00	2.50%
Park Landing - Helicopter	95.00	97.00	2.50%
Park Landing - Hot Air Balloon	95.00	97.00	2.50%
Family Events (i.e. barbeques)	65.00	67.00	2.50%
Cancellation - 6 weeks before event	25%	25%	
Cancellation - 5 weeks before event	50%	50%	
Cancellation - less than 5 weeks before event	75%	75%	
Cancellation - less than 2 weeks before event	100%	100%	
DBS application charge (not charged for volunteers)	45.00	46.00	2.50%
DBS administration charge (chargeable to volunteers)	13.00	13.00	

Museum

Museum Lecture Theatre/Gallery (hour) until 4.00pm	22.50	23.50	2.50%
Museum Lecture Theatre/Gallery (hour) 4.00pm until close	45.00	46.00	2.50%
School Visits no museum support	-		
School Visits led/supported by museum staff	3.50	3.50	
School Visits led by external contractors	65.00	67.00	2.50%
Commission on Gallery sales	25%	25%	
Commission on Shop sales	30%	30%	
Fines - artists who don't collect work on time	2.50	2.50	

Reproduction Fees

Image on file and emailed	5.00	5.00	
Image on file, disc produced	15.00	15.00	
Object/painting to be photographed and emailed	25.00	26.00	2.50%
Object/painting to be photographed, disc produced	35.00	36.00	
Professional photograph, high resolution, suitable for larger print - image on file, disc produced	35.00	36.00	
Photographic prints (of larger prints) - 6x4	10.00	10.00	
Photographic prints (of larger prints) - 7x5	12.50	12.50	
Photographic prints (of larger prints) - 10x8	15.00	15.00	
Scanned photocopies - A4 black & white	3.00	3.00	
Scanned photocopies - A4 colour	6.00	6.00	
Scanned photocopies - A3 black & white	5.50	5.50	
Scanned photocopies - A3 colour	11.00	11.00	
Postage - UK First Class	4.50	4.50	
Postage - UK Special delivery	8.00	8.00	
Postage - European Union (Airsure)	8.00	8.00	
Postage - Elsewhere (Airsure)	14.00	16.00	

Licenses

Regional casino			
New application where provisional statement granted	6,400.00	6,400.00	
Non conversion other premises (i.e. NEW)	12,000.00	12,000.00	
Annual Fee	12,000.00	12,000.00	
Variation	6,000.00	6,000.00	
Transfer of license	5,200.00	5,200.00	
Re-instatement fee	5,200.00	5,200.00	
Provisional Statement	12,000.00	12,000.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
New large casino			
New application where provisional statement granted	4,000.00	4,000.00	
Non conversion other premises (i.e. NEW)	8,000.00	8,000.00	
Annual Fee	8,000.00	8,000.00	
Variation	4,000.00	4,000.00	
Transfer of license	1,720.00	1,720.00	
Re-instatement fee	1,720.00	1,720.00	
Provisional Statement	8,000.00	8,000.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
New small casino			
New application where provisional statement granted	2,400.00	2,400.00	
Non conversion other premises (i.e. NEW)	6,400.00	6,400.00	
Annual Fee	4,000.00	4,000.00	
Variation	3,200.00	3,200.00	

Transfer of license	1,440.00	1,440.00	
Re-instatement fee	1,440.00	1,440.00	
Provisional Statement	6,400.00	6,400.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Existing casinos			
New application where provisional statement granted	N/A	N/A	
Non conversion other premises (i.e. NEW)	4,000.00	4,000.00	
Annual Fee	2,400.00	2,400.00	
Variation	1,600.00	1,600.00	
Transfer of license	1,080.00	1,080.00	
Re-instatement fee	1,080.00	1,080.00	
Provisional Statement	N/A	N/A	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Bingo premises			
New application where provisional statement granted	960.00	960.00	
Non conversion other premises (i.e. NEW)	2,800.00	2,800.00	
Annual Fee	800.00	800.00	
Variation	1,400.00	1,400.00	
Transfer of license	960.00	960.00	
Re-instatement fee	960.00	960.00	
Provisional Statement	2,800.00	2,800.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Adult gaming centre			
New application where provisional statement granted	960.00	960.00	
Non conversion other premises (i.e. NEW)	1,600.00	1,600.00	

Annual Fee	800.00	800.00	
Variation	800.00	800.00	
Transfer of license	960.00	960.00	
Re-instatement fee	960.00	960.00	
Provisional Statement	1,600.00	1,600.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Betting premises tracks			
New application where provisional statement granted	760.00	760.00	
Non conversion other premises (i.e. NEW)	2,000.00	2,000.00	
Annual Fee	800.00	800.00	
Variation	1,000.00	1,000.00	
Transfer of license	760.00	760.00	
Re-instatement fee	760.00	760.00	
Provisional Statement	2,000.00	2,000.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Betting premises (other)			
New application where provisional statement granted	960.00	960.00	
Non conversion other premises (i.e. NEW)	2,400.00	2,400.00	
Annual Fee	480.00	480.00	
Variation	1,200.00	1,200.00	
Transfer of license	960.00	960.00	
Re-instatement fee	960.00	960.00	
Provisional Statement	2,400.00	2,400.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Family entertainment centres			

New application where provisional statement granted	760.00	760.00	
Non conversion other premises (i.e. NEW)	1,600.00	1,600.00	
Annual Fee	600.00	600.00	
Variation	800.00	800.00	
Transfer of license	760.00	760.00	
Re-instatement fee	760.00	760.00	
Provisional Statement	1,600.00	1,600.00	
Change of circumstance	50.00	50.00	
Copy of license	25.00	25.00	
Licensed premises gaming machine permit			
Grant	150.00	150.00	
Existing operator grant	100.00	100.00	
Variation	100.00	100.00	
Transfer	25.00	25.00	
Annual fee	50.00	50.00	
Change of name	25.00	25.00	
Copy of permit	25.00	25.00	
License premises automatic notification process			
On notification	50.00	50.00	
Club gaming permits			
Grant	200.00	200.00	
Grant (club premises certificate holder)	100.00	100.00	
Existing operator grant	100.00	100.00	
Variation	100.00	100.00	
Renewal	200.00	200.00	
Renewal (club premises certificate holder)	100.00	100.00	
Annual fee	50.00	50.00	
Copy of permit	15.00	15.00	

Club machine permits			
Grant	200.00	200.00	
Grant (club premises certificate holder)	100.00	100.00	
Existing operator grant	100.00	100.00	
Variation	100.00	100.00	
Renewal	200.00	200.00	
Renewal (club premises certificate holder)	100.00	100.00	
Annual fee	50.00	50.00	
Copy of permit	15.00	15.00	
Family entertainment centre gaming machine permits			
Grant	300.00	300.00	
Renewal	300.00	300.00	
Existing operator grant	100.00	100.00	
Change of name	25.00	25.00	
Renewal (club premises certificate holder)	100.00	100.00	
Annual fee	50.00	50.00	
Copy of permit	15.00	15.00	
Prize gaming permits			
Grant	300.00	300.00	
Renewal	300.00	300.00	
Existing operator grant	100.00	100.00	
Change of name	25.00	25.00	
Copy of permit	15.00	15.00	
Small lottery registration			
Grant	40.00	40.00	
Annual fee	20.00	20.00	
Sex establishments	2,210.00	2,210.00	

Licensing Act 2003

Application Fee/Annual Charge statutory charges

Premises and club premises certificates - fees			
Band A - rateable value £0-£4,300	100.00/70.00	100.00/70.00	
Band B - rateable value £4,301-£33,000	190.00/180.00	190.00/180.00	
Band C - rateable value £33,001-£87,000	315.00/295.00	315.00/295.00	
Band D - rateable value £87,001-£125,000	450.00/320.00	450.00/320.00	
Band E - rateable value £125,000 and above	635.00/350.00	635.00/350.00	
Premises licenses only - additional fees			
Band D (X2)	900.00/640.00	900.00/640.00	
Band E (X3)	1905.00/1050.00	1905.00/1050.00	
Variation Fees			
Band A	100.00	100.00	
Band B	190.00	190.00	
Band C	315.00	315.00	
Band D	450.00	450.00	
Band E	635.00	635.00	
Additional Fees re large-scale events, number attending			
5000-9999	1,000.00	1,000.00	
10000-14999	2,000.00	2,000.00	
15000-19999	4,000.00	4,000.00	
20000-29999	8,000.00	8,000.00	
30000-39999	16,000.00	16,000.00	
40000-49999	24,000.00	24,000.00	
50000-59999	32,000.00	32,000.00	
60000-69999	40,000.00	40,000.00	

70000-79999	48,000.00	48,000.00	
80000-89999	56,000.00	56,000.00	
90000 and over	64,000.00	64,000.00	
Fees for permitted temporary activities, personal licenses and miscellaneous items			
Section 25 Theft, loss, etc. of premises licence or summary	10.50	10.50	
Section 29 Application for a provisional statement where premises being built, etc.	315.00	315.00	
Section 33 Notification of change of name or address	10.50	10.50	
Section 37 Application to vary licence to specify individual as premises supervisor	23.00	23.00	
Section 42 Application for transfer of premises licence	23.00	23.00	
Section 47 Interim authority notice following death etc. of licence holder	23.00	23.00	
Section 79 Theft, loss etc. of certificate or summary	10.50	10.50	
Section 82 Notification of change of name or alteration of rules of club	10.50	10.50	
Section 83(1) or (2) Change of relevant registered address of club	10.50	10.50	
Section 100 Temporary event notice	21.00	21.00	
Section 110 Theft, loss etc. of temporary event notice	10.50	10.50	
Section 117 Application for a grant or renewal of personal licence	37.00	37.00	
Section 126 Theft, loss, etc. of personal licence	10.50	10.50	
Section 127 Notification of change of name or address	10.50	10.50	
Section 178 Right of Freeholder etc. to be notified of licensing matters	21.00	21.00	

Vehicles

Hackney Carriage / Private Hire Vehicles			
Drivers - New Applications			
Application for Driver's Licence (3 years)	358.00	367.00	2.50%
DBS + Admin Fee	54.00	55.00	2.50%
Safe Guarding	30.00	31.00	2.50%
English & Numeracy Test	15.00	15.00	

Knowledge Test	64.00	66.00	2.50%
Drivers - Renewals			
Application for Driver's Licence (3 years)	317.00	325.00	2.50%
DBS + Admin Fee	50.00	51.00	2.50%
DVLA Licence Check	8.00	8.00	
Knowledge Test (re-take)	64.00	66.00	2.50%
Knowledge Test Cancelled on the day	15.00	15.00	
Replacement Badge/Licence	25.00	26.00	2.50%
DVLA licence check (where required)	8.00	8.00	
Child sexual exploitation training	15.00	15.00	
Vehicle Licence Application	188.00	193.00	2.50%
Vehicle Test	92.00	94.00	2.50%
Vehicle interim test / full re- test	92.00	94.00	2.50%
Test Cancellation Fee	40.00	41.00	2.50%
Re-Test within 10 working days	40.00	41.00	2.50%
Replacement Plate	25.00	26.00	2.50%
Replacement Licence	25.00	26.00	2.50%
Transfer of Licence	25.00	26.00	2.50%
Time-tabled Bus - operator fee per departure	0.45	0.45	
Coaches	1.55	1.55	
Private Hire Operator's Licence Application			
- first year	223.00	229.00	2.50%

- 3-year renewal	184.00	189.00	2.50%
- 5-year renewal	305.00	313.00	2.50%
Scrap Metal Licences			
Sites	750.00	769.00	2.50%
Collectors	300.00	308.00	2.50%

Refuse and Cleansing

Green Waste Collection			
Annual Collection Charge	40.00	45.00	12.50%
Bulky Refuse			
Up to 6 items	32.00	33.00	2.50%
- Each additional item up to maximum of 10 in total	3.50	3.50	
Above 10 items	Quotation		
Trade Sacks			
By Invoice	3.00	3.00	
Across Counter	3.50	3.50	
Sweeping			
Per Sweep	79.00	81.00	2.50%
Skips			
Collection	105.00	108.00	2.50%
Disposal Cost per tonne	115.00	118.00	2.50%
Festivals/Events			
Weekday (Working hours) Wheeled Bin – 140, 240 & 360			
Between 1 & 5 bins	46.75	50.00	6.95%

Between 6 & 10 bins	46.91	51.00	8.72%
11+ bins	50.22	54.00	7.53%
660 & 1100 Euro Bins (each)	46.75	50.00	6.95%
Skip	40.30	44.00	9.18%
Saturday & Evenings Wheeled Bin – 140, 240 & 360			
Between 1 & 5 bins	66.55	72.00	8.19%
Between 6 & 10 bins	64.86	70.00	7.92%
11+ bins	66.65	72.00	8.03%
660 & 1100 Euro Bins (each)	66.55	72.00	8.19%
Skip	43.93	47.00	6.99%
Sundays & Bank Holidays Wheeled Bin – 140, 240 & 360			
Between 1 & 5 bins	145.00	157.00	8.28%
Between 6 & 10 bins	150.00	162.00	8.00%
11+ bins	160.00	173.00	8.13%
660 & 1100 Euro Bins (each)	145.00	154.00	6.21%
Skip	151.00	163.00	7.95%

Finance and Corporate

Land Charges			
LLC 1	20.00	21.00	2.50%
NLIS LLC 1 (Electronically)	15.00	15.00	
Personal Search	no charge		
Part 1 Enquiries	110.00	113.00	2.50%
Part 2 Enquiries	20.00	21.00	2.50%
Part 3 Enquiries	30.00	31.00	2.50%
Office copy of agreements	37.00	38.00	2.50%
Individual additional questions (charge per question)	2.00	2.00	

Extra Parcel	20.00	21.00	2.50%
Legal Services - Electoral Registration			
Sale of register and the notices of alteration: Data Format (under 1,000)		20.00	
Sale of register and the notices of alteration – Data Format (over 1,000)		1.50 per 1,000	
Sale of register and the notices of alteration: Printed Format (under 1,000)		10.00	
Sale of register and the notices of alteration – Printed Format (over 1,000)		£5 per 1,000	
Sale of register and the notices of alteration - list of overseas electors - Data Format (under 100)		20.00	
Sale of register and the notices of alteration – list of overseas electors – Data Format (above 100)		1.50 per 100	
Sale of register and the notices of alteration - list of overseas electors - Printed Format		10.00	
Sale of register and the notices of alteration – list of overseas electors – Printed Format		£1.50 per 100	
Rating Authority Costs			
Magistrates Clerk Costs / Issue of Summons	0.50	0.50	
Rating Authority Costs - Council Tax	107.00	107.00	
Rating Authority Costs - NNDR	161.00	161.00	
Magistrate Court:			
Committed Warrant	305.00	305.00	
Per Committal Order for prison sentence	145.00	145.00	
Committal summons	54.00	54.00	
Markets - Nuneaton			
<u>Wednesday and Saturday</u>			
Self Erect Per 3.5m x 3.5m pitch		20.00	
Vehicular Trading		40.00	
Reduced market per vehicle (Adverse weather)		10.00	

Power supply - per day (limited availability)		5.00	
Street Advertising per day		100.00	
<u>Bedworth Market – permanent</u>			
Lock-up Unit (3 metres)		65.00	
Lock-up Unit (4 metres)		88.00	
Lock-up Unit (5 metres)		110.00	
Cabin		60.00	
<u>Open Stall</u>			
Indoor Market		12.00	
<u>Outdoor Market</u>			
Self-erect per 3.5m x 3.5m stall		10.00	

Planning

Sale of Freehold Property / Land			
£0 - £20,000	550.00	550.00	
£20,001 - £50,000	920.00	920.00	
£50,001 - £100,000	1,225.00	1,225.00	
£100,001 - £200,000	1,840.00	1,840.00	
£200,001 and over	TBA	TBA	
Sale of Leasehold Property / Land			
£0 - £20,000	550.00	550.00	
£20,001 - £50,000	920.00	920.00	
£50,001 - £100,000	1,225.00	1,225.00	

£100,001 - £200,000	1,840.00	1,840.00	
£200,001 and over	TBA	TBA	
Right To Buy Administrative Fee	110.00	110.00	
Right To Buy Deed of Postponement of Change	165.00	165.00	
Right To Buy First Refusal Certificate	110.00	110.00	
Leases			
License to Assign (including abortive costs undertaking)			
Starter Unit type / Craft Centre	415.00	415.00	
New Business Lease - Slingsby Close	535.00	535.00	
Shop Leases	595.00	595.00	
License to Assign – Residential	380.00	380.00	
License to Assign – Commercial	540.00	540.00	
Leasehold Enquiries	80.00	80.00	
Deed of Postponement	162.00	162.00	
2nd Mortgage Questionnaire	162.00	162.00	
Application for retrospective consents for property alterations	216.00	216.00	
Photo-copying			
Per copy - A4	0.30	0.30	
- A3	0.45	0.45	
Licences / Grazing Licence	270.00	270.00	
Easements	378.00	378.00	
Release of Covenants	486.00	486.00	
Deed of Variations	486.00	486.00	
Title investigations for 3rd parties	324.00	324.00	

Section 38 Agreements where landowners	112.00	112.00	
Section 40 Agreements where landowners	112.00	112.00	
Developer Licence	540.00	540.00	
Assignments	540.00	540.00	
Consents	324.00	324.00	
Section 106 / 111 Agreements (including abortive costs undertaking)			
1 – 10 Units	N/A		
11 – 15 Units	1,730.00	1,730.00	
16 – 30 Units	2,270.00	2,270.00	
30 – 150 Units	3,350.00	3,350.00	
150 – 350 Units	5,510.00	5,510.00	
350 – 500 Units	8,100.00	8,100.00	
Road Closure Order	3,240.00	3,240.00	
Footpath Diversion Orders/Closure Order	3,025.00	3,025.00	
CPO on behalf of developers	3,340.00	3,340.00	
Purchase of properties in advance of CPO (Camp Hill)	540.00	540.00	
Other Purchases - to be agreed (where appropriate)	540.00	540.00	
Assignments & Transfer – for sold Properties at Middlemarch (Camphill)	112.00	112.00	
Enfranchisement to freehold development	648.00	648.00	
Camp Hill Certificate of Compliance	150.00	150.00	
Room Booking and Hire Charges – Town Hall			
<i>Local/Commercial</i>			
Monday to Friday (Inclusive)	16.00/31.00	16.00/31.00	
Council Chamber/Committee. Rooms A & B	22.00/45.00	22.00/45.00	
Committee Room C	22.00/45.00	22.00/45.00	

Plus additional staffing charge on room bookings	20.00	20.00	
Evac chair & Health & Safety training required by external organisations as per terms of use	65.00	65.00	
Flask (per ten cups)	12.00	12.00	
Plate of biscuits	2.00	2.00	
Saturday & Sunday (Inclusive)			
All rooms 4 Hour Hire	330.00	330.00	
All rooms 8 Hour Hire	630.00	630.00	
Dog Warden			
Dog Fines – PSPO (reduced to £80 if paid within 10 days)	110.00	110.00	
Dog Fines – CPN	110.00	110.00	
Stray Dogs - first day	87.00	87.00	
Stray Dogs - per additional day	8.00	8.00	
Business Regulation Licences			
Acupuncture	125.00	125.00	
Ear Piercing	125.00	125.00	
Electrolysis	125.00	125.00	
Tattooing	250.00	250.00	
Skin Piercing	125.00	125.00	
Dangerous Wild Animals (plus vet fees)	360.00	360.00	
Dog Breeding Establishments (plus vet fees)	380.00	380.00	
Pet Shops	500.00	500.00	
Pet Shop Licensing (at home)	465.00	465.00	
Riding Establishments (plus vet fees)	275.00	275.00	
Animal Boarding – Dog & Day Care	465.00	465.00	
Animal Boarding Larger (over 25 animals)	500.00	500.00	
Training of animals for exhibition	230.00	230.00	

Zoo Licence (plus inspection fees)	778.00	778.00	
Game Dealers	7.00	7.00	
Assisted Burial	Varies	Varies	
Environmental Information Request - Basic	82.00	82.00	
Environmental Info Request - per 1/2hr above basic	42.00	42.00	
Food Health certificate	48.00	48.00	
Local Authority Pollution Control (LAPC) and Local Authority Pollution Prevention and Control (LAPPC) Charges			
Application Fees			
Standard process	1,650.00	1,650.00	
Additional fee for operating without a permit	1,188.00	1,188.00	
Reduced fee activities (except VRs)	155.00	155.00	
PVR I and II combined	257.00	257.00	
Vehicle refinishers (VRs)	362.00	362.00	
Reduced fee activities: Additional fee for operating without a permit	71.00	71.00	
Mobile screening and crushing plant	1,650.00	1,650.00	
- for the third to seventh applications	985.00	985.00	
- for the eighth and subsequent applications	498.00	498.00	
<i>All Fees are set by LAPPC</i>			
Annual Subsistence Charge			
Standard process LOW	500.00	500.00	
Standard process MEDIUM	465.00	465.00	
Standard process HIGH	275.00	275.00	
<i>LOW/MEDIUM/HIGH</i>			
Reduced fee activities	79.00/158.00/237.00	79.00/158.00/237.00	

PVR I and II combined Medium component	113.00/226.00/341.00	113.00/226.00/341.00	
Vehicle refinishers	228.00/365.00/548.00	228.00/365.00/548.00	
Mobile screening and crushing plant , for first and second permits	626.00/1034.00/1551.00	626.00/1034.00/1551.00	
- for the third to seventh permits	385.00/617.00/924.00	385.00/617.00/924.00	
- for the eighth and subsequent permits	198.00/316.00/473.00	198.00/316.00/473.00	
Late Payment fee (New)	52.00	52.00	
<i>All Fees are set by LAPPC</i>			
Transfer & Surrender			
Standard process transfer	169.00	169.00	
Standard process partial transfer	497.00	497.00	
New operator at low risk reduced fee activity	78.00	78.00	
Reduced fee activities: partial transfer	47.00	47.00	
Temporary Transfer for mobiles			
First transfer	53.00	53.00	
Repeat following enforcement or warning	53.00	53.00	
Substantial Change			
Standard process	1,050.00	1,050.00	
Standard process where the substantial change results in a new PPC activity	1,650.00	1,650.00	
Reduced fee activities	102.00	102.00	
Mobile Plant Charges			
Application Fees			
1 permit	1,650.00	1,650.00	
2 permits	1,650.00	1,650.00	
3 permits	985.00	985.00	

4 permits	985.00	985.00	
5 permits	985.00	985.00	
6 permits	985.00	985.00	
7 permits	985.00	985.00	
8 or more permits	498.00	498.00	
Subsistence Fees			
<i>LOW/MEDIUM/HIGH</i>			
1 permit	646.00/1034.00/1506.00	646.00/1034.00/1506.00	
2 permits	646.00/1034.00/1506.00	646.00/1034.00/1506.00	
3 permits	385.00/617.00/924.00	385.00/617.00/924.00	
4 permits	385.00/617.00/924.00	385.00/617.00/924.00	
5 permits	385.00/617.00/924.00	385.00/617.00/924.00	
6 permits	385.00/617.00/924.00	385.00/617.00/924.00	
7 permits	385.00/617.00/924.00	385.00/617.00/924.00	
8 or more permits	198.00/316.00/473.00	198.00/316.00/473.00	
<i>All Fees are set by LAPPC</i>			
LA-IPPC Charges			
Application	3,363.00	3,363.00	
Additional fee for operating without a permit	1,188.00	1,188.00	
Annual Subsistence LOW	1,447.00	1,447.00	
Annual Subsistence MEDIUM	1,611.00	1,611.00	
Annual Subsistence HIGH	2,334.00	2,334.00	
Late Payment Fee (New)	52.00	52.00	
Variation	1,368.00	1,368.00	
Substantial Variation	3,363.00	3,363.00	

Transfer	235.00	235.00	
Partial transfer	698.00	698.00	
Surrender	698.00	698.00	
<i>All Fees are set by LAPPC</i>			
Planning Documents			
Borough Local Plan - Residents	22.28 + £2.75 postage	22.28 + £2.75 postage	
Borough Local Plan - Non-Residents	36.42 + £2.75 postage	36.42 + £2.75 postage	
Residential Design Guide	4.61	4.61	
Postal Numbering Plans	94.37	94.37	
Ann.Sub.- Weekly List of Planning Applications (post)	125.01	125.01	
Ann.Sub.- Weekly List of Planning Applications (email)	81.30	81.30	
Copies of Decision Notices (Electronic)	12.00	12.00	
Copies of Decision Notices (Postal)	15.96	15.96	
Breach of Conditions Notice	18.85	18.85	
Copy of Tree Preservation order	33.64	33.64	
A3 Copies of Other Planning Application Documents	1.39	1.39	
A4 Copies of Other Planning Application Documents	0.86	0.86	
Plans - Up to A1	2.89	2.89	
Sewer Map Extracts	28.39	28.39	
Copies of Ordnance Survey Maps for:-			
Planning & Building Reg's (7 copies)	39.31	39.31	
Planning Application (5 copies)	35.33	35.33	
Building Regulations (3 copies)	33.64	33.64	
Section 38 Booklet	29.03	29.03	
Section 106 Agreements (1 copy)	36.42	36.42	

Plan Printing on paper:- A0	3.11	3.11	
Plan Printing on paper:- A1	2.89	2.89	
Plan Printing on paper:- A2	2.36	2.36	
Photocopying A4	0.86	0.86	
Photocopying A3	1.39	1.39	
Street Naming & Numbering			
Numbering up to 10 addresses	148.00	148.00	
Numbering over 10 addresses, per address	15.00	15.00	
Street Naming, per street	148.00	148.00	
House naming or renaming, per house	72.00	72.00	
Street renaming, per street	435.00	435.00	
S106 Monitoring Fees	1,475.00	1,475.00	

Car Parks

<u>Long Stay</u>			
Sunday – All Day		1.00	
Up to 1 Hour		1.00	
Up to 2 Hours		2.00	
Up to 3 Hours		3.00	
3 - 4 Hours		4.00	
Over 4 Hours		6.00	
Evening/Overnight		Free	
Monthly Season Tickets		71.50	
6 Monthly Season Tickets		291.50	
Yearly Season Tickets		506.00	

Yearly Season Tickets(50+ further 10% discount)		455.40	
<u>Short Stay</u>			
Sunday – All Day		1.00	
Up to 1 Hours		1.00	
Up to 2 Hours		2.00	
Up to 3 Hours		3.00	
3 - 4 Hours		4.00	
Over 4 Hours		7.00	
Evening/Overnight		Free	
Monthly Season Tickets		93.50	
6 Monthly Season Tickets		412.50	
Yearly Season Tickets		770.00	
<u>Town Hall</u>			
Sunday – All Day		1.00	
Up to 1 Hours		1.50	
Up to 2 Hours		2.50	
Up to 3 Hours		3.50	
Over 4 Hours		8.00	
<u>Riverside Maximum Stay 2 Hours; No Return Within 4 Hours</u>			
Sunday – All Day		1.00	
Up to 1 Hours		1.50	
Up to 2 Hours		2.50	
<u>Bedworth Railway Station (Maximum Stay 10 hours; No Return Within 2 hours)</u>			
Sunday – All Day		1.00	

Up to 1 Hour		1.00	
Up to 2 Hours		2.00	
Up to 3 Hours		3.00	
3 - 4 Hours		4.00	
Over 4 Hours		6.00	
<u>Harefield Road</u>			
Up to 1 Hours		1.00	
Up to 2 Hours		1.00	
Up to 3 Hours		1.00	
3 - 4 Hours		1.00	
Over 4 Hours		2.00	
Monthly Season Tickets		40.00	
6 Monthly Season Tickets		240.00	
Yearly Season Tickets		450.00	
<u>Leisure Centre Parking</u>			
Up to 3 Hours		Free	
Up to 4 Hours		2.00	
Up to 24 Hours		3.00	
Sundays		Free	
<u>Miners Welfare Park</u>			
Up to 3 hours		Free	
4 hours		4.50	
6 to 24 hours		6.50	
<u>Blue Badge Season Ticket</u>			

6 Months		110.00	
12 Months		200.00	

Housing

Mobile Home (Caravan) Sites			
Caldwell Site - rent of site only - per pitch per week	31.26	TBC	Subject to February 2025 CPI Rate
Exhall Site - Rent of site only - per pitch per week	32.78	TBC	Subject to February 2025 CPI Rate
Laundry Facilities (per wash and per dry)	3.50	3.50	0.00%
Commission on Sale of Caravans	10% of sale value	10% of sale value	0.00%
Rent of garages for Tenants	11.00	11.00	0.00%
Rent of garages for Non-Tenants including VAT	22.00	22.00	0.00%
Private Sector Housing			
HMO Licence – Up to 5 lets	820.00	841.00	2.50%
HMO Licence – Up to 6 – 10 lets	860.00	882.00	2.50%
HMO Licence – Up to 11+ lets	900.00	923.00	2.50%
Strategic Housing			
Homeless Hostel Rent per night	53.85	65.00	20.71%
Homeless Hostel Service Charge	2.65	3.65	20.71%
Private Mobile Homes and Caravan Parks			
Initial Licence Fee	8.50	8.50	2.50%
Annual Fee	33.00	34.00	2.50%
Transfer or Standard Amendment Fee	256.00	262.00	2.50%
Site Expansion Amendment Fee	256.00	262.00	2.50%

Immigration Letter	80.00	82.00	2.50%
Immigration Notice	116.00	119.00	2.50%
Enforcement Notice	270.00	277.00	2.50%
Private Landlords – Civil Penalty Charges	5,040.00	5,535.00	2.50%
Smoke Alarm Fee	1,080.00	1,107.00	2.50%

Residential Development	Development Site Area	Proposed Gross Floor Area	Cost	Cost of Additional Meetings (each)
1 Dwelling*	Less than 0.2-0.99 ha	300 m2 or less	208.00	52
2 – 9 Dwellings	0.22-0.99 ha	300-999 m2	416.00	52
10 – 49 Dwellings	1.0-1.25 ha	1,000-2,499 m2	1,040.00	130
50 – 199 Dwellings	1.26-2.0 ha	2,500-9,999 m2	2,080.00	260
200+ Dwellings	More than 2 ha	10,000 m2	3,120.00	390

Proposed Development Type	Cost	Cost of Additional Meetings (each)
Advertisements	42.00	21
Change of Use	84.00	42
Telecommunications	84.00	42

Other***

84.00

42

Building Control Certificate Charges (Existing and historical)	Charge Inc. VAT
Certificate requested during the application or construction (stage approval before full completion)	12.75
Certificate requested after completion of the works but when a response is required within 10 working days (additional copies)	25.51
Certificate requested after completion of the works but when a response is required within 5 working days	38.26
Certificate requested after completion of the works but when a response is required within 24 hours	70.15

RISK ANALYSIS

Risk	Issue	Mitigation
Loss of Business Rate income	Business Rate appeals are a huge risk to the income base - the revaluation in 2023 will increase this possibility in 2025/26	An appeal of £2.9m is contained to cover the reduction in rateable value and £2m has been included in the forecast for future losses.
Losses in other income	Reduction to core income through fees and charges due to less uptake from the public	Fees and Charges are only increased in line with CPI with some areas making individual changes after a review of service delivery.
Recycling	Risk that the new recycling facility does not generate the savings expected	Based on the performance of the facility and market rates during 2024/25 the income in relation to the recycling has been reduced to a prudent level.
Local Council Tax Support Scheme	An increase in the uptake of the scheme could result in a loss on income for the Council and other Preceptors	The scheme can be reviewed and updated annually and close monitoring of this area is regularly undertaken
Savings targets	Targets have been set and included within the detail of the budget to ensure a balanced position	A transformation programme is underway to ensure achievement of any savings plans
Uninsured losses	The Council holds a number of insurance policies but also self insures	There is a risk reserve in place of £620k to cover any potential issue
Inflation and interest rates	Inflation and interest are beginning to settle post pandemic and fluctuations can have a big impact on the cost base	Inflation has been built into the base at a higher level for contractual obligations in 2025/26, a pay award of 4% has been factored in and interest payments have been reviewed and increased in line with capital borrowing requirements
Regeneration projects	The delay or increase in cost of projects can pose financial risks to the General Fund	Internal borrowing can be undertaken and there is a larger level of borrowing required in 2025/26. Options are being fully reviewed and progress decided based on revised financial viability in the current climate.
Grounds Maintenance	Contracts for the outsourced service are due to expire in 2026/75 which may create a risk to future cost	The review of the Grounds Maintenance contract is underway. Once costs have been scoped out options will be put forward on any mitigating action necessary to bridge future funding deficits.
Planning Appeals	High volumes of planning applications are generating income but there are risks to developer appeals for any rejected and not approved by Committee	Planning fee income has been input into the 2025/26 budget at a lower rate than in previous years final budgets to take a prudent approach. A review of fee income for planning will take place over the Summer/Autumn.
Food Waste Collection	A new work stream is to be introduced in 2025/26 collecting food waste separately which will create a cost pressure	Working with DEFRA to secure funding and with other local authorities to look at the best approach to implementing changes. New burdens funding is to be made available which will reduce the risk slightly

Report Summary Sheet

Date:	19th February 2025
Subject:	Capital Budget 2025/26
Portfolio:	Resources & Customer Services Housing
From:	Strategic Director – Corporate Resources

<p>Summary:</p> <p>The report presents the proposed General Fund and Housing Revenue Account Capital Programme for 2025/26 for consideration and submission to Council for approval. A forecast outturn for 2024/25 is also included in the report.</p>
<p>Recommendations:</p> <ul style="list-style-type: none"> • That the budget for 2025/26 is recommended to Council for approval. • That the forecasted capital programme for 2024/25 is noted. • That delegated authority be given to the Strategic Director – Housing & Communities, Strategic Director – Public Services, Strategic Director – Place & Economy and Strategic Director – Corporate Resources to carry out procurement exercises in accordance with the Council’s Contract Procedure Rules in order to deliver the capital programme. • That delegated authority be given to the Strategic Director – Place & Economy, Strategic Director – Public Services and the Strategic Director – Corporate Resources to approve any new funding opportunities that arise to support the

<p>regeneration projects.</p> <ul style="list-style-type: none"> • That the report is not subject to call-in due to the timescales for setting the budget and Council Tax for 2025/26 as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.
<p>Options:</p> <p>To accept the report or request further information, having regard to the legal deadlines for setting of budgets.</p>
<p>Reasons:</p> <p>To comply with regulations.</p>
<p>Consultation undertaken with Members/Officers/Stakeholders</p> <p>Finance officers, budget holders and portfolio holders have been consulted on the budget proposals.</p>

<p>Subject to call-in: No</p> <p>Due to the timescales for setting a budget as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.</p>
<p>Ward relevance: All</p>
<p>Forward plan: Yes</p>

<p>Building a Better Borough Aim:</p> <p>Work</p>
<p>Building a Better Borough Priority:</p> <p>Grow a strong and inclusive economy</p>
<p>Relevant statutes or policy:</p> <p>Local Government Act 2003</p>

Local Government Finance Act 1992

Equalities Implications:

None

Human resources implications:

None

Financial implications:

As detailed within the report.

Health Inequalities Implications:

None

Section 17 Crime & Disorder Implications:

None

Risk management implications:

All budgetary decisions will need to be risk assessed to ensure they are achievable and to be fully aware of any implications.

Environmental implications:

None

Legal implications:

The Council must set a risk assessed balanced budget each year. In addition, the Cabinet must comply with the Budget & Policy Framework Procedure Rules set out in section 4C of the Council's Constitution.

Contact details:

Victoria Summerfield

Victoria.Summerfield@nuneatonandbedworth.gov.uk

02476 376002

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet 19th February 2025

From: Strategic Director – Corporate Resources
Strategic Director - Housing & Communities

Subject: Capital Budget 2025/26

Portfolio: Resources & Customer Services (Councillor S Hey)
Housing (Councillor C Watkins)

Building a Better Borough Aim: Work

Building a Better Borough Priority: Grow a Strong & Inclusive Economy

1.0 Purpose of Report

1.1 To present the capital budget and forecast for 2025/26 to 2027/28 for the General Fund and Housing Revenue Account (HRA).

2.0 Recommendations

- 2.1 That the budget for 2025/26 is recommended to Council for approval.
- 2.2 That the forecasted capital programme for 2024/25 is noted.
- 2.3 That delegated authority be given to the Strategic Director – Housing & Communities, Strategic Director – Public Services, Strategic Director – Place & Economy and Strategic Director – Corporate Resources to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme.
- 2.4 That delegated authority be given to the Strategic Director – Place & Economy, Strategic Director – Public Services and Strategic Director – Corporate Resources to approve any new funding opportunities that arise to support the regeneration projects.
- 2.5 That the report is not subject to call-in due to the timescales for setting the budget and Council Tax for 2025/26 as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.

3.0 Forecasted Outturn 2024/25 as at December 2024

- 3.1 Nuneaton and Bedworth Borough Council has a large capital programme to provide community value and improve facilities. The Q3 outturn position for 2024/25 will be presented in detail to Cabinet in March 2025 but it is expected to have a large underspend during the year due mainly to a review of the affordability of the regeneration projects and slippage on the HRA.
- 3.2 The capital budget for 2024/25 of £76,092,727 was approved in February 2024 at Council with an updated budget position reported of £77,019,797 to Cabinet in July 2024 as part of the final outturn. A further update to the budget was taken in December 2024 to include works to the Pingles Leisure Centre taking the budget to £77,299,797.
- 3.3 A summary of the General Fund and HRA forecasted expenditure versus budget is below alongside financing of the programme and further detail will be reported to Cabinet in March 2025 as part of the quarterly update.

Expenditure	Forecast £'000	Budget £'000	Variance £'000
Business & Regeneration	18,006	21,021	3,015
Resources & Customer Services	395	300	-95
Housing	7,738	8,453	715
Leisure, Communities & Health	11,315	25,585	14,270
Miscellaneous	100	100	0
General Fund	37,554	55,459	17,905
HRA	19,079	21,841	2,762
TOTAL EXPENDITURE	56,633	77,300	20,667

Financing			
Earmarked / Revenue	4,513	5,212	700
Grants	28,043	45,397	17,354
External Contributions	505	637	133
Major Repairs Reserve	8,724	8,724	0
Capital Receipts	0	100	100
Borrowing	14,849	17,229	2,380
TOTAL FUNDING	56,633	77,300	20,667

4.0 Capital Programme Budget 2025/26

- 4.1 The Council's capital programme covers many projects for both the General Fund and Housing Revenue Account.

- 4.2 General Fund projects are developed in line with strategies reported to Cabinet/Council and are funded through Section 106 developer contributions, grant funding (from the Government and other external providers), internal and external borrowing plus capital receipts generated through asset sales.
- 4.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing plus new build. They are funded from HRA reserves, capital receipts from Right to Buy plus grant income.

General Fund

- 4.4 The Council approved the commencement of a large regeneration programme in Nuneaton and Bedworth towns in 2017 and significant levels of grant funding have been secured to support delivery. Unfortunately, the UK economic climate changed dramatically after the inception of projects which meant that a review of affordability had to be undertaken.
- 4.5 Nuneaton & Bedworth is one of only 10 local authorities that have been included on the Pathfinder Pilot which was implemented by the Government in response to issues with delivery of projects. This enables transfers of funding between projects in a more streamlined and simplified way with the overall intention being to ensure regeneration of towns continues.
- 4.6 The Hampton by Hilton hotel opened in September 2024 as part of Grayson Place phase 1, and phase 2 of the programme is progressing well after both internal and external review to ensure a sustainable programme is delivered.
- 4.7 The Bedworth Physical Activity Hub was also reviewed and cost engineered to a reduced budget of £30.6m. Works are progressing well and within budget with opening due in spring 2026.
- 4.8 Bridge to Living had the budget reduced as funding was transferred to other regeneration projects under the Pathfinder scheme. The remaining budget for demolition of the premises is to be spent during 2024/25 to ensure the site is prepared for the next stage of regeneration in Nuneaton.
- 4.9 Outside of regeneration, it is proposed in the General Fund revenue budget report to remove the revenue contribution to capital of £75k for renewal and replacement of parks in 2025/26. There is no spend expected in 2024/25 so this underspend will be earmarked. A strategy for parks has been developed and will provide a more planned approach to replacement and refreshment. Reviewing of how these works across the borough will be funded will be undertaken during 2025/26.

- 4.10 It is also proposed to utilise the £100k in earmarked reserve set-aside for Target Hardening as a one-off contribution to undertake more specific asset maintenance across the borough. This will be in addition to the rolling £250k revenue contribution allocated annually.
- 4.11 Alterations to the 2024/25 budget are proposed to be in line with the forecast and are mainly due to slippage on projects. There are however additional budgets or changes to budgets previously approved in 2024/25 proposed which are listed below:
- In the budget report for 2024/25, it was noted that grant funding had been applied for from Sport England to support decarbonisation works at the Pingles Leisure Centre. The bid was successful and £421k has now been added to this budget to include solar panels and a new pool cover.
 - The IDOX Planning and Land Charges system has been added to the budget after approval internally at the Corporate Programme Review Board. An upgrade to planning software has been required for a number of years and the software implementation is funded from the Transformation reserve set-aside in 2023/24.
- 4.12 A three-year capital programme is included in Appendix 1. The proposed General Fund capital budget for 2025/26 is £41,048,620 and is fully funded.
- 4.13 The progress of all projects will be monitored during the year with further updates reported to Cabinet.

HRA

- 4.14 The capital budget for the HRA was approved as £22,079,988 in February 2024 but an updated budget position was reported to Cabinet in July 2024 of £21,840,625 to include changes due to slippage and acceleration of projects from 2023/24.
- 4.15 Management of the HRA capital programme is based on scheduled works and progression of new build and acquisition targets. The budget as a whole is utilised by need of the customer and the most efficient use of resources to ensure value for money and will therefore fluctuate against the initial forecasted expenditure by line in any one year.
- 4.16 A thorough review of the Business Plan has been undertaken and is reported separately on the agenda. The capital programme included for 2025/26 a detailed breakdown of the summary position reported in the Business Plan.
- 4.17 A one-year capital programme is included in Appendix 2.

Capital Reserves

- 4.18 Reserves are held by the Council for capital purposes either generated through sales of assets, setting aside sums from underspends and receipts of grants for capital purposes.
- 4.19 The Council's capital reserve position at the end of March 2024 is as follows.

	2023/24
	£
Capital Receipts	622,010
Capital Earmarked Sums	2,417,687
Capital Grants	13,659,612
General Fund	16,699,309
Capital Receipts	3,722,325
Capital Earmarked Sums	3,773,387
Major Repairs Reserve	1,830,421
HRA	9,326,133
CAPITAL RESOURCES	<u>26,025,442</u>

- 4.20 Capital reserves are allocated against specific projects with no residual unallocated amount available. This poses risks to any movement in the projected capital expenditure as there is nothing available to cover any fluctuations in expenditure.

5. Conclusion

- 5.1 The capital programme is fully funded in its present form and there is expected to be slippage on projects in 2024/25. The review of the regeneration plan has mitigated the risks previously being seen but there are still potential concerns as the Council is unable to borrow more than is budgeted and grant funding is fully committed.
- 5.2 To remain financially sustainable is dependant upon interest rates and inflation being stable and ideally reducing. Any hikes in costs as seen in previous years could create risks around affordability. This is being kept under close review.

6. Appendices

- 6.1 Appendix 1 – General Fund Capital Budget 2025/26
Appendix 2 – HRA Capital Budget 2025/26

7. Background Papers

- 7.1 None.

GENERAL FUND CAPITAL BUDGET

Appendix 1

Project	Forecast 2024/25 (£)	Proposed Budget 2025/26 (£)	Forecast 2026/27 (£)	Forecast 2027/28 (£)
General Fund Capital	37,554,193	41,048,620	16,022,027	7,399,027
Business & Regeneration	18,005,680	9,783,080	0	0
Abbey Street Regeneration	16,395,904	7,049,773	0	0
Bridge to Living	696,332	0	0	0
Wheat Street Junction	0	390,000	0	0
E-mobility Hub	0	250,000	0	0
Corporation Street	0	390,000	0	0
The Saints	563,444	0	0	0
George Eliot Visitor Centre	0	222,500	0	0
Parks Revival	50,000	1,480,807	0	0
Car Parking Machine Upgrades	300,000	0	0	0
Resources and Customer Services	395,000	100,000	100,000	100,000
ICT Strategy Programme	100,000	100,000	100,000	100,000
Camp Hill - Early final phase	200,000	0	0	0
IDOX - Planning & Land Charges Software	95,000	0	0	0
Housing	7,738,402	8,899,027	11,069,027	6,499,027
Empty Homes - Works in Default	40,000	40,000	40,000	40,000
Disabled Facilities Grants - HEART	5,125,000	6,359,027	6,359,027	6,359,027
Empty Property Loans	20,000	100,000	100,000	100,000
Green Homes Grant (HUG2)	1,200,000	0	0	0
Warm Homes Local Grant	0	2,300,000	4,570,000	0
Homeless Hostel Con	162,218	0	0	0
Attleborough - Community Park	100,000	0	0	0
Marlborough - Community Park	150,000	0	0	0
Sorrell Road - Community Park	225,000	0	0	0
Bedworth Market	716,184	0	0	0
Boundary Paddock Toilet Block Improvements	0	100,000	0	0
Planning and Enforcement	0	0	0	0
Leisure, Communities and Health	11,315,111	22,216,513	4,803,000	750,000
Leisure Strategy	112,639	0	0	0
BEDWORTH PHYSICAL ACTIVITY HUB (BPAH)	6,494,736	18,664,193	4,000,000	0
Buttermere Recreation Ground Redevelopment	266,327	0	0	0
Community Centre Grants	25,000	0	0	0
Stockingford Community Centre Grant	48,017	0	0	0
Sandon/Weddington Cycleway	0	244,567	0	0
Coronation Walk Footpath/Cycleway	0	248,488	0	0
Clovelly Way Footpath	0	31,675	0	0
Lilleburne Play Area	0	26,448	0	0
Bermuda Balancing Lake	0	19,835	0	0

Fly Tipping Cameras	5,000	0	0	0
Pauls Land Pavilion	10,500	0	0	0
Sandon Park/Jack Whetstone Pavilion	26,859	0	0	0
Ambleside Sports Club - Table Tennis Provision	22,750	0	0	0
Pingles LC Decarbonisation	2,378,783	1,957,307	0	0
Cemetery Extension	16,000	0	0	0
Cemetery Flooding Works	84,000	0	0	0
MAJOR REPAIRS	250,000	250,000	250,000	250,000
Pingles LC External Columns	280,000	0	0	0
Environment Bill Food Waste Grant	981,000	0	0	0
Vehicle & Plant Replacement	313,500	674,000	553,000	500,000
Capital: General	100,000	50,000	50,000	50,000
Miscellaneous Projects	100,000	50,000	50,000	50,000

HRA CAPITAL BUDGET

Appendix 2

Project	Forecast Outturn 2024/25 (£)	Proposed Budget 2025/26 (£)
HRA Total Capital	19,078,805	15,869,662
Major Repairs	15,182,055	11,678,069
Decent Homes	1,350,000	1,199,000
Roof Coverings/Modifications	900,000	1,500,000
Windows and Doors	600,000	764,451
Sheltered Alarm Call System	10,000	0
Door Entry Scheme	93,000	12,375
CCTV Renewal - GP Flats	8,000	0
Shop Improvements	100,000	50,000
Conversion of the Gables	245,000	0
Fire Safety Works	3,117,000	2,288,833
ILU - Remodelling	150,000	0
Electric Storage Heating	95,000	80,000
Cheveral Place - Conversion of Wardens	70,555	0
Concrete Structural Repairs	450,000	402,188
Level Access Showers	550,000	530,888
Aids & Adaptations	900,000	950,000
Central heating	720,000	950,000
Garages	15,000	25,000
Slabs to Tarmac	304,500	130,356
Lift Renewal Works	0	100,000
District Heating Works	150,000	50,000
EICR Electrical	606,000	450,000
Voids	1,200,000	1,113,750
Structural Concrete Repairs	2,400,000	0
Stock Condition Survey	103,000	0
Contingency	165,000	0
Capital Salaries	520,000	0
External Areas for Improvement	0	130,093
Road Resurfacing	0	25,000
Drainage renewals	0	12,940
Balconies and Balustrades	0	18,352
External Fabric	0	304,843
EPC Programme	0	70,000
Cleaver Gardens Drainage	360,000	120,000
Contingency	0	200,000
Housing IT System	0	200,000
New Build & Acquisition	3,896,750	4,191,593
New Properties - New Build	3,032,768	4,146,790
Acquisition of Properties	293,550	0
Byford Court	570,432	44,803

