



**AGENDA
for
MEETING OF
THE COUNCIL**

to be held on

Monday, 17th February 2020

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Date: 7th February 2020

Our Ref: WEB

To: All Members of the Borough Council

A MEETING OF THE COUNCIL will be held in the Council Chamber, Town Hall, Nuneaton, on **Monday, 17th February, 2020 at 6.00 p.m.**

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

Please note that meetings will be recorded for future broadcast.

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

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

3. **FILMING** - all Members are requested to turn on their microphones before speaking, to speak clearly into the microphone in front of them and remember to turn it off when they have finished speaking. A microphone will be provided for members of the public to use who have notified that they wish to speak.
4. **MINUTES** - to confirm the minutes of the meeting held on 4th December, 2019, attached (**Page 7**).
5. **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.

6. ANNOUNCEMENTS - to receive announcements from the Mayor, Leader, Members of the Cabinet or the Executive Director.
7. CENSURE OF A MEMBER - a Member to be censured following Hearings at Standards Committee.
8. PUBLIC PARTICIPATION - (Council Procedure Rule 9) - 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 Procedure Rule 9 is attached, **(Page 35)** and this is not subject to debate.
9. SPECIAL URGENCY DECISIONS - (Access to Information Procedure Rule) There have been no decisions taken under the Special Urgency Rule.
10. CABINET – report by Leader of the Council attached. **(Page 37)**
Members may ask questions on the report and receive answers from the Leader or other Cabinet members, and this is not subject to debate.
11. ELECTION OF MAYOR AND DEPUTY MAYOR - to give consideration to the selection of Mayor and Deputy Mayor for 2020/21.
12. RECOMMENDATIONS FROM CABINET OR OTHER COMMITTEES
 - a) General Fund Budget and Capital Programme 2020-21
The Council will be asked to consider recommendations from Cabinet held on Wednesday 12th February, 2020 on the General Fund Budget and Capital Programme 2020/21. Copy of report attached **(Page 43)**
 - b) Housing Revenue Account Budget and Capital Programme 2020/21
The Council will be asked to consider recommendations from Cabinet held on Wednesday 12th February, 2020 on the Housing Revenue Account Budget and Capital Programme 2020/21. Copy of report attached **(Page 78)**
 - c) Treasury Strategy and Budgetary Framework 2020/21
The Council will be asked to consider recommendations from Cabinet held on Wednesday, 12th February, 2020 on the Treasury Strategy and Budgetary Framework 2020/21. Copy of the report attached **(Page 100)**

d) Committee Timetable of Meetings 2020/21 and 2021/22

The Council will be asked to consider recommendations from Cabinet held on Wednesday, 12th February, 2020 on the Committee Timetable of Meetings 2020/21 and 2021/22. Copy of the report attached (**Page 147**).

e) Council Tax 2020/21 – following consideration of the above item the Council is required to determine the Council Tax for 2020/21.
Resolution to follow.

13. REVIEW OF POLLING DISTRICTS AND POLLING PLACES – report of the Returning Officer, attached (**Page 158**).
14. QUESTIONS BY MEMBERS - (Council Procedure Rule 10). A copy of Procedure Rule 10 is attached. (**Page 168**) and this is not subject to debate.

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

4th December, 2019

The meeting of the Nuneaton and Bedworth Borough Council was held at the Town Hall, Nuneaton, on Wednesday, 4th December, 2019.

Present

The Mayor (Councillor J. Tandy)
The Deputy Mayor (Councillor W.J. Hancox)

Councillors, J.B Beaumont, D. Brown, S. Croft, G. Daffern, S. Doughty, P.M. Elliott, K. Evans, D. Gissane, J. Glass, C. Golby, S. Gran, J. Gutteridge, I.K. Lloyd, B. Longden, L. Hocking, J.A. Jackson, K.A. Kondakor, A. Llewellyn-Nash, B. Pandher, N.J.P. Phillips, G.D. Pomfrett, M. Rudkin, A. Sargeant, J. Sargeant, J. Sheppard, T. Sheppard, R. Smith, R. Tromans, C. Watkins and K.D. Wilson.

Apologies: Councillors K. Brindley-Edwards and H. Walmsley.

CL36 **Minutes**

The Mayor informed Members of an error in regards to Minute CL33 (a), paragraph 2 and the following required amendment:

“Councillor M. Rudkin seconded the motion.”

RESOLVED that the minutes of the meeting held on 11th September, as amended above, were approved 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.

CL38 **Announcements**

The Mayor brought Members’ attention to the Armed Forces Covenant Employer Recognition Scheme Gold Award 2019 that had been awarded to the Borough Council and was on display in the Chamber.

The Mayor also politely reminded Members that the meeting was of Nuneaton and Bedworth Council and not a husting for the pending general election.

CL39 **Public Participation**

Question 1

Mr Lee Downs asked the following question of Councillor Neil Phillips, the Portfolio Holder for Planning, Development and Health:

“Can the council inform me why NBBC have changed the planning portal on their websites? which stops anyone from seeing maps, layouts and planning information.

“Can you please tell me how without these I can respond to planning applications?”

Councillor Neil Phillips gave the following response:

“Firstly, apologies to any resident that has had trouble getting on.

“We put in a new system. The old Microsoft system had to be replaced and updated. The basic problem was that old application forms, prior to the changeover, had to be redacted and checked before going on the new system. Anyone looking at old application forms had a problem whereby they weren’t able at that particular time to look at maps, plans, environmental concerns, etc. Any new applications and there isn’t a problem.

“We have to make sure that old applications that maybe coming forward to Planning Committee are updated; that’s a lot of work to redact and transfer them over. We won’t be going back to the old system as the new system works well. But we have to make sure that residents can get hold of the information they need. If people can’t find what they need they can ring Planning Officers and ask for information on a particular planning application and we will redact all the information and transfer it over. There is a button on the system that says ‘Old’, but we have so many planning applications that need to be updated to the new system. It is a safer system because the IT we used wasn’t safe going forward.

“It is a pain I know, but we will make sure that any applications going forward to Planning Committee are up to date well in advance so residents can look at them.”

Councillor K. Evans moved that in accordance with Paragraph 4A.9.8 of the Council’s Constitution the matter be referred to the Internal Overview and Scrutiny Panel.

The motion was seconded by Councillor Phillips.

A vote was taken and the motion was carried.

RESOLVED that the new Planning Portal be referred to Internal Overview and Scrutiny Panel for consideration.

Question 2

Mrs Michele Kondakor asked the following question:

“We have had some great events in the Borough this year, including the recent events for the George Eliot bicentenary. Attendance has, however, been variable and seems to be directly related to the amount of publicity. As only a small proportion of people get a local newspaper or use social media, what steps are being taken to ensure that the efforts of those organising the events are rewarded by good publicity and hence, attendance?”

Councillor Julie Jackson gave the following response:

“We have indeed had a number of excellent events across the Borough during 2019 catering for a wide range of tastes and interests. Many of these have been delivered directly by the Borough Council, while for others we have played a supporting role to the event organisers.

“Some of the events have had an appeal to a wide range of people, while others have been aimed at a more niche potential audience, and so it is inevitable that attendance levels will differ between various events. However, it is clearly important that the Borough Council plays its part in ensuring that the advertising and publicity around events is as effective as it can be within the available resources we have.

“In terms of this we are continually assessing how we can get wider coverage of future events through social media channels and other in-line facilities such as news websites and indeed our own website. We are also working hard to build positive relationships with the local and regional media to get radio and TV coverage of events in the Borough and of course we make use of our ongoing relationships with community groups to get information out to our residents.”

Question 3

Mr Brian Walmsley asked the following question of Councillor Neil Phillips, the Portfolio Holder for Planning, Development and Health:

“At a recent Overview and Scrutiny Panel it was reported that the claimed waiting times for Autism Diagnosis, and Neurodevelopmental Service, has increased within North Warwickshire (which includes Nuneaton and Bedworth) from 44 weeks in July 2018, to 52 weeks in July 2019, with most Nuneaton and Bedworth families having to wait over two years, including one family having to wait four years.

“Surely this situation, during a child’s formative years, cannot be acceptable in this day and age?”

“Will the Portfolio Holder please write to the Warwickshire Health and Well Being Board, seeking an urgent review of the situation, in order to stop this current trend of increasing waiting times, and introduce measures to reverse this trend so that our Nuneaton and Bedworth

families can be helped by having children assessed at an early stage, so that these children can have better life chances.”

Councillor Neil Phillips gave the following response:

“It really saddens me, and probably saddens everyone else in the Chamber tonight, that this issue is happening in 2019. To know that it often takes years to even get on the waiting list for an autism assessment and during all this time and the lengthy wait that the child is not coping at school, getting bullied and developing even more severe mental health issues.

“RISE, the new acronym for CAHMS, reported that waits had risen to 52 weeks. When I made a quick enquiry to the Nuneaton Autism Help site it showed that families are waiting in excess of 2 years; it’s not acceptable. What seems to be distorting the figures is when children find themselves in hospital after complete mental health breakdown or suicide attempt they are put on the waiting list for a day and then receive an assessment a day later.

“Whilst I am concerned and agree with the questioner, the reality seems to be much bleaker than that. Madam Mayor, as a member of the Health and Wellbeing Board, I will write to the chair and try to seek an urgent review to this situation. It’s not good enough.

“If the questioner would like to talk to me afterwards I need to get a little more information before I go to the Chair of the Health and Wellbeing Board, to put the letter together.”

Question 4

Mr Karl Mayer asked the following question of Councillor Neil Phillips, the Portfolio Holder for Planning, Development and Health:

“Could the portfolio holder for Planning explain to me how this council advertised the current concept plan consultation to get this borough’s residents to attend the concept exhibitions and why the Woodlands Working Men’s club was not used as an exhibition venue for the concept plans and yet the Chess club in Camp hill was, given there is no development site for camp hill in the local plan?”

Councillor Neil Phillips gave the following response:

“The drop in sessions were originally arranged so that there would be one held in each locality area. A further 3 events were held at the request of Local Councillors at Nuneaton Academy, Whitestone and Weddington. A conscious decision was taken not to hold these in premises where alcohol would also be sold. The consultation events were for all the Supplementary Planning Documents being considered and not just the concept Plans and so it was correct that they were held in all localities.

“There were drop in sessions at Goodyers End School and at Bedworth Civic Hall both of which were well attended. As well as separate ones at Hawkesbury and Bulkington. In total 11 drop in sessions were held. Sessions were advertised on the Council’s website. The Council’s social media accounts and localities officers were also made aware we used social media.

“As normal, Policy planning officers are available 9 to 5 Monday to Friday at the Town Hall for queries on the documents either face to face or on the telephone and there are also email channels to the team for other queries.”

Question 5

Mr Lubs Cvetkovic made the following statement:

“The latest Borough plan consultation on the Supplementary Planning Documents (SPD) has once again been an abject failure. Cllr Phillips and Katherine Moreton seem to once again have ignored the advice giving to them by their fellow Cllrs (Evans, Brown and Kondakor) as well as several residents who have been active participants in engaging with the whole Borough Plan Process.

“You did not advertise or publicise the events more widely, you did not use social media or local community forums. Areas directly affected such as woodland received no direct consultation meeting.

“The team running the meetings were, through no fault of their own unaware of what had been said during the hearings and were unable to give clear information to residents who attended.

“The SPD are not fit for purpose, and appear as a way of trying to get back in to the plan some of the more unpopular measures. An example of this can be seen in HSG7, at the Stage two hearings WCC Highways department said Bramcote Close was not suitable as an access point in to the site. However in the SPDs Bramcote Close has been included once again as a primary access point....why were officers not taking notes of this during the hearings! When raised with the consultation team they had no knowledge of this intervention by WCC and when asked to report this were unwilling to do so saying we should include it in our representations.....once again I am underwhelmed by the tardiness and lack of interest and support from this “Council and the indifference of some of the officers to residents.

“Secondly there is still no sign of the review of housing numbers, as asked for in a petition signed by 6,615 residents and as democratically voted and adopted by this Council. In the meantime applications from developers have started to come in. Let me remind you the term used was “immediate review”that means straight away not in 6 months’ time a year or longer.

“I found it laughable when I heard that the Labour Parliamentary candidate for Bedworth (Claire Breeze) has been delivering leaflets which have made 5 promises to residents the first of which states “I will oppose the Councils housing plan.”

“Further to this the Rugby and Bulkington Labour Parliamentary Candidate (Debbie Bannigan) sent me Labours imaginatively named policy document “Land for the many” on housing. I particularly enjoyed chapter 5. Especially the bit which says “ creating a new model, in which development is led by democratically-accountable bodies with a duty to serve the public interest, working in partnership with local people, landowners and others . It also means empowering residents to help design their homes and surrounding infrastructure, putting people at the heart of development.” Let’s be honest you have done none of this from day you submitted the plan to the public. You have put upon us your vision and ignored our views and opinions.

“This Labour group is out of step with its residents, it is out of step with Parliamentary candidates and it is out of step with its own party’s national strategies. You aren’t here for the many, you aren’t here for the few, you are here to serve only yourselves.”

CL40 **Special Urgency Decisions**

RESOLVED that Members note that a Special Urgency Decision was taken on the 13th November, 2019, regarding the Draft Bedworth Town Centre Visioning Document – Public Consultation.

CL41 **Business from the Council Meeting Held on 11th September, 2019 – Agenda Item 14 e)**

Notice of Motion

Councillor K. Wilson moved the following motion:

“This Council resolves to amend the Constitution at Part 9 and insert the following Paragraph as 9A.1(F) ...

“The Mayor is to attend mandatory training with the Director for Arts, Leisure and Democracy on the Constitution, rules of debate and the Mayor’s role in chairing meetings. Such training is to be held prior to the first substantive meeting of the Council following the Annual General Meeting; to ensure that the new Mayor is fully equipt and competent in the professional delivering of Council business.”

“Following the enactment of point one above, the Mayor for the municipal year 2019/20 shall be required to undertake the training as set out in the constitutional amendment above by the next Full Council.”

Councillor J. Gutteridge seconded the motion.

A recorded vote was taken on the motion as follows:

FOR : Councillors D. Brown, S. Croft, K. Evans, D. Gissane, C. Golby, S. Gran, J. Gutteridge, K. Kondakor, A. Llewellyn-Nash, B. Pandher, A. Sargeant, J. Sargeant, R. Smith, R. Tromans and K. Wilson

AGAINST: Councillors J. Beaumont, G. Daffern, S. Doughty, P. Elliott, J. Glass, W. Hancox, L. Hocking, J. Jackson, I. Lloyd, B. Longden, N. Phillips, G. Pomfrett, M. Rudkin, J. Sheppard, T. Sheppard, J. Tandy and C. Watkins.

ABSTENTION: None.

The motion was lost.

CL42 **Cabinet**

The Leader of the Council submitted her report on behalf of Cabinet. The report highlighted matters considered at the Cabinet meetings held on 4th September, 9th October and 13th November, 2019, and also details of reports from the West Midlands Combined Authority Board, which had a direct impact on NBBC, namely the Board meetings of 13th September and 8th November, 2019.

RESOLVED that

- a) the report be noted; and
- b) Councillor I. Lloyd, Portfolio Holder for Arts and Leisure, provide Councillor K. Evans with a written response to his questions regarding the Glendale Live system.

CL43 **Review of Polling Districts and Polling Places**

Under the Electoral Administration Act 2013, the Council is required to carry out a review of polling districts, polling places and polling stations by 31st January 2020.

The Returning Officer submitted a report to inform Members of the comments received from a recent consultation exercise in respect of polling districts and polling places. The responses to the consultation were detailed in Appendices A(1) and A(2) attached to the report. Appendix B reported comments received from disability groups and Appendix C provided a list of polling stations.

Councillor J. Jackson, moved the recommendations as set out on page 47 of the agenda.

Councillor N. Phillips seconded the motion.

A vote was taken and the motion was carried.

RESOLVED that

- a) thanks be passed on to Elections officers;
- b) the schedule of polling districts and polling places, as amended, attached at Appendix C to the report be approved and published in accordance with the statutory requirements; and
- c) the Returning Officer be asked to consider the additional proposal arising from the consultation, and a further report outlining the conclusions be brought to a future meeting of the Council.

CL44 **Overseeing and Scrutinising the Exercise of the Borough Council's Shareholding in, and the Establishment and Operation of, the Local Authority Owned and Operated Sub-Regional Materials Recycling Facility (MRF)**

The Executive Director – Operations and the Executive Director – Resources, submitted a report presenting suggestions for establishing a robust way for the Council to scrutinise and oversee the establishment and operation of the local authority owned and operated Materials Recycling Facility (MRF) located in Coventry, and to assess how the Council's shareholding in the new Asset Co. is exercised.

Councillor J. Sheppard moved the recommendations as set out at section 2 of the report.

Councillor K. Wilson seconded the motion.

A vote was taken and the motion was carried.

RESOLVED that

- a) half yearly reports be presented by the Executive Director – Operations to the Internal Overview and Scrutiny Panel in regard to the establishment and ongoing operation of the local authority owned and operated Sub-Regional Materials Recycling Facility; and
- b) other partner Councils be approached to set up a Joint Shareholder Committee to enable regular scrutiny of how their shareholdings in the new Asset Co. are being exercised to take place.

[Councillor K. Kondakor requested that his vote against the motion be recorded.]

CL45 **Recommendations from Cabinet and other Committees**

a) **Local Council Tax Support Scheme**

Councillor Julie Jackson, Portfolio Holder for Finance and Civic Affairs, reported on recommendations made by Cabinet at its meeting held on 13th November, 2019, in respect of the above, and moved a motion for their approval.

Councillor K. Kondakor seconded the motion.

[Councillor D. Gissane left the Chamber at 7:38 p.m. and did not participate in the consideration or vote on this or any further agenda items.]

A recorded vote was taken as follows:

FOR: Councillors J. Beaumont, D. Brown, S. Croft, G. Daffern, S. Doughty, P Elliott, K. Evans, J. Glass, C. Golby, S. Gran, J. Gutteridge, W. Hancox, L. Hocking, J. Jackson, K. Kondakor, A. Llewellyn-Nash, I. Lloyd, B. Longden, B. Pandher, N. Phillips, G. Pomfrett, M. Rudkin, A. Sargeant, J. Sargeant, J. Sheppard, T. Sheppard, T. Smith, J. Tandy, R. Tromans, C. Watkins, K. Wilson.

AGAINST: None

ABSTENTION: None

The motion was carried.

RESOLVED that

- a) the Local Council Tax Support Scheme for April 2020 onwards reduce the minimum contribution required from 20% to 15%;
- b) the technical changes set out in section 5.2 of the Cabinet report be approved;
- c) and the resultant costs as set in the report be reflected in the Council Tax base for 2020/21.

b) Treasury Management 2019/20 Mid-Year Review

Councillor J. Jackson, Leader of the Council, reported on the recommendations made at the Cabinet meeting held on 13th November, 2019, in respect of the above and moved a motion for their approval.

Councillor N. Phillips seconded the motion.

A vote was taken and the motion was won.

RESOLVED that

- a) the report be noted per the requirements of the CIPFA Code;
- b) the changes to the prudential indicators as detailed within the report and summarised at Appendix A be approved;
- c) the updated General Fund Capital Programme at Appendix B be approved.

CL46 **Notice of Motions**

a) Cross Party Climate Working Group

Councillor J. Jackson moved the following motion:

“This Council declares a climate emergency and in doing so commits to:

- establishing a cross party working group to investigate and subsequently advise on the actions and timescales required to make the Council’s activities carbon neutral by 2030. The working group will report initial findings and recommendations back to Cabinet within 4 months with the ability to invite a relevant external expert as appropriate;
- engaging with partner councils (specifically Warwickshire County Council and Warwickshire’s 5 District and Borough Councils), local businesses, environmental groups and residents to inform our future actions; and
- call on government to provide the resources and where required the powers to enable Nuneaton and Bedworth Borough Council to help deliver the UK’s carbon reduction targets.”

Councillor N. Phillips seconded the motion.

Councillor K. Evans moved the following amendment:

“After ‘call on Government to provide the resources and where required the powers to enable Nuneaton and Bedworth Borough Council to help deliver the UK’s carbon reduction targets’ insert the following bullet points:

1. Commits to request the Leader of the Council to review the current Green Bin charge which, at present, is causing the mass fly tipping of green waste around the Borough.
2. Commits to request the Portfolio Holder for Arts & Leisure to conduct a formal investigation, into why the Parks Department did not bid for the Governments ‘Urban Tree Challenge Fund’ for more trees, which would have reduced the amount of carbon emissions in the Borough.
3. Commits to request the Executive Directors to appoint a designated Climate Change Champion at Director level, to lead on the Council’s response to the climate emergency declaration.
4. Commits to ban the issue of single use plastics in Nuneaton Town Hall and the Bedworth Civic Hall.
5. Commits to give its support to Cabinet for the proposal from Glendale to install communal composting bins in the Borough.
6. Commits to request the Planning Department to produce a light pollution strategy for Nuneaton and Bedworth Borough Council.
7. Commits to request the Executive Directors to publish a report to Full Council outlining what steps the Council intends to carry out, regarding the introduction of electric vehicles into the

Council's fleet, and, the use of renewable energy to source the Council's energy.

8. Commits to request the Executive Directors to provide annual reports to Full Council, detailing the progress made by the Council in reducing its carbon footprint.

Councillor K. Wilson seconded the amendments.

A recorded vote was taken on Councillor Evan's amendments, as follows:

FOR: Councillors D. Brown, S. Croft, K. Evans, C. Golby, S. Gran, J. Gutteridge, K. Kondakor, A. Llewellyn-Nash, B. Pandher, R. Smith, R. Tromans and K. Wilson

AGAINST: Councillors J. Beaumont, S. Doughty, P. Elliott, J. Glass, W. Hancox, L. Hocking, J. Jackson, I Lloyd, B. Longden, N. Phillips, G. Pomfrett, J. Sheppard, T. Sheppard, J. Tandy and C. Watkins.

ABSTENTION: G. Daffern, M. Rudkin, A. Sargeant and J. Sargeant.

The amendment was lost.

A vote was taken on the substantive motion, which was carried.

RESOLVED that Nuneaton and Bedworth Borough Council declares a climate emergency and in doing so commits to:

- a) establishing a cross party working group to investigate and subsequently advise on the actions and timescales required to make the Council's activities carbon neutral by 2030. The working group will report initial findings and recommendations back to Cabinet within 4 months with the ability to invite a relevant external expert as appropriate;
- b) engaging with partner councils (specifically Warwickshire County Council and Warwickshire's 5 District and Borough Councils), local businesses, environmental groups and residents to inform our future actions; and
- c) call on government to provide the resources and where required the powers to enable Nuneaton and Bedworth Borough Council to help deliver the UK's carbon reduction targets.

Councillor K. Wilson moved, in accordance with Council Procedure Rule 4A.21 to suspend standing orders, as the maximum time for the meeting should not normally exceed 3 hours and that this amount of time had passed.

Councillor S. Gran seconded the Procedural motion.

RESOLVED that Standing Orders be suspended in order to continue the meeting until all business was completed in full.

b) Transforming Bedworth cross party working group

Councillor K. Wilson moved the following motion:

"This council requests the Executive Directors to prepare a report for the next available cabinet to establish a Transforming Bedworth cross-party working group to take forward the regeneration of Bedworth Town Centre, and invites Warwickshire County Council to join as equal participants in the working group."

Councillor J. Jackson seconded the motion.

Councillor K. Evans moved the following amendment:

"After paragraph one, insert the following paragraphs:

"This Council expresses its concern that the public consultation agreed by Cabinet on the 13th November, is being carried out over Christmas and the General Election. Therefore, Council requests the Leader of the Council to extend the public consultation by two weeks."

"and

"This Council requests the Leader of the Council to instruct Officers to hold two public consultation events at Bedworth Civic Hall, to be funded from unallocated reserves."

Councillor K. Wilson seconded the amendment.

A recorded vote was taken on Councillor Evans' amendment, as follows:

FOR: Councillors D. Brown, S. Croft, K. Evans, C. Golby, S. Gran, J. Gutteridge, K. Kondakor, A. Llewellyn-Nash, B. Pandher, A. Sargeant, J. Sargeant, R. Smith, R. Tromans and K. Wilson.

AGAINST: Councillors J. Beaumont, G. Daffern, S. Doughty, P. Elliott, J. Glass, W. Hancox, L. Hocking, J. Jackson, I. Lloyd, B. Longden, N. Phillips, G. Pomfrett, M. Rudkin, J. Sheppard, T. Sheppard, J. Tandy and C. Watkins.

ABSTENTION: None.

The amendment was lost.

A vote was taken on the substantive motion, which was carried.

RESOLVED that the Council requests the Executive Directors to prepare a report for the next available Cabinet to establish a Transforming Bedworth cross-party working group to take forward the regeneration of Bedworth Town Centre, and invites Warwickshire County Council to join as equal participants in the working group.

[Councillor K. Kondakor requested that it be recorded that he abstained from the vote on the substantive motion.]

[Councillor K. Evans requested that his vote in favour of the substantive motion be recorded.]

CL47 **Questions by Members**

Question 1

Councillor Kyle Evans asked the following question of Councillor Neil Phillips, Portfolio Holder for Planning, Development and Health:

“The Council have recently abolished there Planning Portal and brought in a new complicated system, where Councillors and Residents are unable to view essential maps and planning documents. Already since its launch, I’ve been contacted by 18 residents, who are bitterly angry that the Council have in effect banned them from viewing the necessary documents needed, to respond to Planning consultations. Can I ask the Portfolio Holder why my request for the Communications team to create a video showing people how to use the new system has been denied, and why the Council has refused to scrap the system and go back to the old one?”

Councillor Neil Phillips provided the following response:

“The Planning area of the Council’s web site previously sat within an environment which was no longer being supported by Microsoft, which meant that updates to its security and other functions were no longer available and would therefore be vulnerable in terms of attack. It also means that the Council’s Public Services Network (PSN) compliance was restricted.

“The new system directly interrogates the Council’s Planning back office system without any need for details to be exported and uploaded to the web site.

“The new facility does allow for the viewing of Plans which is automatic for all the applications submitted since the system changed. With the other older applications or those already determined and due to data protection legislation, the details have to be first redacted. This is obviously very resource intensive and is why at the moment there is a request button on the portal that allows customers to expedite the uploading of any particular application can be therefore fast tracked.

“There was a technical error when the system first went live, where when searching by address and then selecting the relevant application the documents associated with the application were not showing. I understand that this has now been resolved.

"I have requested that the applications yet to be determined are redacted as well as the larger older applications as these are the ones we have the most request for. Unfortunately it is very time consuming; the changes do need to be in and at this particular time I do not feel there is a need for a YouTube video."

Question 2

Councillor Damon Brown asked the following question of Councillor Julie Jackson, Leader of the Council and Portfolio Holder for Finance and Civic Affairs:

"The video of the last full Council meeting held in September 2019 was uploaded to the Council's YouTube page late. The Council stated the delay was in order that legal advice could be taken prior to uploading the video. Can the Leader of the Council please inform me how much the legal advice that was sought cost the Council, and therefore the taxpayer, and whether she believes this was an effective use of taxpayers' money?"

Councillor Julie Jackson provided the following response:

"The initial costs were about £200. However, to ensure that Counsel had a clear picture of the issues, further details were obtained which required additional clarification of the potential claims that could be brought against the Council for publishing defamatory material. The final cost of the advice was £1650.

"As for whether taking legal advice on a matter that might lead to a claim against the Council costing tens of thousands of pounds, yes, I do believe that this was an effective use of Council-tax payers' money. What would have been better, however, is that the issue had never occurred in the first place. To that end, I would ask all members to be mindful of their comments at Council and to avoid making any unguarded statements that might expose the Council to a legal challenge and to use the appropriate authorities to use"

Question 3

Councillor Anne Llewellyn-Nash asked the following question of Councillor Ian Lloyd, Portfolio Holder for Arts and Leisure:

"Last month, I went into Bedworth Town Centre with Councillor Evans and Gran for lunch, we decided to try out the Civic Hall Bistro; we were told that the Civic Hall Bistro does not open on Saturdays, which is a clear contradiction to what the website states. When the Civic Hall and the Bistro continue to lose money every financial year, I have to ask myself why the Bistro does not open on Saturdays, the time of week you'd expect a restaurant to make a profit. Labour are running the Bistro into the ground, why not ahead of Budget setting try and put the Civic Hall Bistro out to tender? "

Councillor Ian Lloyd gave the following response:

“Neither the Civic Hall or the Bistro are losing money. Councillors set the policy and monitor that policy. It’s not for me or any political party’s role to run the everyday operations of the Civic Hall, that’s why the Council pays a Manager.

“Trading on a Saturday was not financially viable and I can vouch for that because I used to use it every Saturday as I took the mother-in-law up there and there was about eight people in there. Moving to the new trading days the predicted income is £3000 above the initial projected budget. This is sound financial management on behalf of the Manager, Tim Norton.

“Surely the first call of action is to notify the Duty Manager or the Civic Hall Manager of the mistake on the website. It’s not right that the member of staff that made the mistake should be the first to hear of it on Social Media. Councillor Evans went straight to twitter on 16/11/2019 at 13:24 p.m. but then did not formalise a complaint by email until 19:58 p.m. on 16/11/2019. So I can only come to the conclusion that the timeline of the complaint gave staff no opportunity to answer or be corrected on the website and that this type of action by the Conservatives is actually gutter politics that is continuously undermining the management and staff’s hard work at the Civic hall. It’s not just an attack on me but an attack on them.

“Misleading the public they should be ashamed on themselves. I suspect, and I’ll apologise if I am wrong now, they knew the website was wrong before they even went there and the whole thing sounds to me like a political stunt.”

Question 4

Councillor Keith Kondakor asked the following question of Councillor Chris Watkins, the Portfolio Holder for Housing and Communities:

“The borough council’s doors and windows multi-year contract is reported to be worth around £2.5million and has the potential to provide considerable improvements to the warmth and wellbeing of our residents. However, in cases where doors and windows are not properly installed, homes can become cold, expensive to heat and unhealthy. It is therefore vital that the quality is monitored and work tested for draughts and heat loss. What testing does the council do to ensure proper insulation/fillers have been used around new doors/windows and how many complaints/rectification notices have been issued since this contract started?”

Councillor Chris Watkins gave the following response:

“The Council is investing significantly in its existing housing stock, the window replacement programme being just one example of this. The Council is installing new double glazed windows across its housing stock to improve the security, health and wellbeing of our tenants. The

installation of new windows also contributes to a reduction in heat loss from the home, subsequently helping to reduce energy bills and reduce carbon emissions.

“The glazing contract is overseen by a dedicated Clerk of Works who carries out regular site visits to inspect the works whilst the installation is in progress. The Clerk of Works also completes a final sign off on each individual property. This sign off is to ensure the quality of work and to pick up any snagging requirements as expected in all major installations. No rectification notices have been necessary, with only a small number of recalls for snagging rectification.

“The returned satisfaction questionnaires identify that there is a positive response to the works from our tenants, with the majority returning a rating of good and very good.”

Mayor

Council - Schedule of Declarations of Interests – 2019/2020

	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
	J. Beaumont		Board member of Bulkington Community Library CIC in addition to an unpaid Manager of the library. Board member of Bulkington Village Centre Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Older People's Forum 	
	K. Brindley-Edwards	Teacher and Head of 6 th Form at Beauchamp College	Representative on the following Outside Body: <ul style="list-style-type: none"> • King Edward VI College Foundation - Trustee 	
	D. Brown	Employed by H.M Land Registry		
	S. Croft	Employed at Holland & Barrett Retail Ltd	Treasurer of the Conservative Association	
	G. Daffern	Trainee teacher at Sidney Stringer Academy, Coventry; Teacher of History, Etone College, Nuneaton	Co-opted Governor at Newdigate Primary School	
	S. Doughty	People in Action Cherville Limited	Unite the Union	
	P. Elliott	Employee of CW Mind's Autism Support Service	Governor at Stockingford Nursery Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Friendship Project for Children 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	K. Evans	Employee of Academics Ltd	Executive Officer at the North Warwickshire & Bedworth Conservative Association Association Representative of Warwickshire Conservative Area Association	
	J. Glass	None	None	
	D. Gissane		Member of Warwickshire County Council	
	C. Golby		Member of Warwickshire County Council	
	S. Gran		Member of Warwickshire County Council	
	J. Gutteridge	Startin Tractors	Representative on the following Outside Bodies: • Age UK (Warwickshire Branch)	To speak and vote on any matters involving the Borough Plan related to land at Leyland Road Bulkington
	W.J. Hancox		Unite the Union Representative on the following Outside Bodies: • Building Control Partnership Steering Group • Hammersley Smith & Orton Charity	
	L. Hocking	Employed by Openreach	Member of: • Unite the Union • Communication Workers Union	
			Representative on the following Outside Bodies: • Committee of Management of Hartshill and Nuneaton Recreation Ground	
	J.A. Jackson	Any matter relating to the employment policies and procedures of Nuneaton & Bedworth Borough Council or any matter relating to the contractual arrangements with Sport & Leisure Management Ltd.	Unite the Union	Dispensation to speak and vote on matters that do not relate specifically to her husband's contract of employment.
			Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited	Dispensation to speak and vote
			Representative on the following Outside Bodies: • Coventry, Warwickshire & Hinckley and Bosworth Joint Committee • District Leaders • Local Government Association • Local Enterprise	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Partnership • West Midlands Combined Authority	
	K.A. Kondakor		Member of Warwickshire County Council	
	A. Llewellyn-Nash	Employee of BMI Healthcare	Treasurer of Exhall Multi-cultural Group Governor at Newdigate Primary and Nursery School, Bedworth	
	I. Lloyd		Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited.	Dispensation to speak and vote
			Representative on the following Outside Bodies: • Nuneaton & Bedworth Sports Forum • Camp Hill Urban Village and Pride in Camp Hill • Poor's Piece Charity • Committee of Management of Hartshill & Nuneaton Recreation Group	
	B.J. Longden		Daughter and son-in-law work in the NHS	
			Member of the Stockingford Community Centre	
			Ex-Officiate of the Veterans Contact Point Board	
			Representative on the following Outside Bodies: • George Eliot Hospital NHS Trust – Public/User Board • George Eliot Hospital NHS Foundation Trust Governors • Armed Forces Covenant Meeting • Astley Charity	
	B. Pandher		Member of Warwickshire County Council Treasurer & Trustee of Nanaksar Gurdwara Gursikh Temple; Coordinator of Council of Sikh Temples in Coventry; Secretary of Coventry Indian Community; Trustee of Sikh Monument	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			Trust Vice Chair Exhall Multicultural Group	
	G.D. Pomfrett	None	None	
	N. Phillips	Employee of DWP	<p>Member of:</p> <ul style="list-style-type: none"> • A5 Sterling Group (Council Representative) • Nuneaton Labour CLP • The Fabian Society • The George Eliot Society • The PCS Union • Nuneaton Credit Union <p>Non-Executive Director with Nuneaton and Bedworth Community Enterprises Limited.</p>	<p>NABCEL – to speak and vote on any matter where the Council or Cabinet is asked to approve any funding arrangement; grant; or other legal instrument with the company but this dispensation shall not apply where any Non-Executive Director benefits from the arrangements in a personal capacity.</p>
	M. Rudkin	Employee of Coventry City Council	<p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • A5 Member Partnership • PATROL Joint Committee • Warwickshire Health & Wellbeing Board • Building Control Partnership Steering Group 	
	A. Sargeant		<p>Unite the Union</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Bedworth Neighbourhood Watch Committee 	
	J. Sargeant	SATCOL Charity Project Manager	<p>Member of Warwickshire County Council Chairman of The Nook (Nuneaton) Residents Association. Chair of Attleborough Community Matters group. Volunteer at Volunteer Friends Bulkington. Member of Nuneaton Carnival Committee</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Advice Rights 	<p>To speak and vote on any matters related to the Salvation Army Charity (SATCOL) or related bodies, unless the matter directly affects the contract of employment of the Councillor</p>

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Sheppard		<p>Partnership member of the Hill Top and Caldwell Big Local.</p> <p>Director of Wembrook Community Centre.</p> <p>Member of the Management Committee at the Mental Health Drop in.</p> <p>Champion for Safeguarding (Children & Adults)</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Local Government Superannuation Scheme Consultative Board • Warwickshire Direct Partnership • Warwickshire Waste Partnership • West Midland Employers • Nuneaton Neighbour Watch Committee 	<p>Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre</p>
	T. Sheppard	Employee of Dairy Crest	<p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Warwickshire Adult Social Care and Health Overview and Scrutiny Panel 	
	R. Smith		<p>Chairman of Volunteer Friends, Bulkington;</p> <p>Board member of Bulkington Village Community and Conference Centre</p> <p>Trustee of Bulkington Sports and Social Club</p>	
	J.A. Tandy		<p>Partnership member of the Hill Top and Caldwell Big Local.</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Nuneaton Festival of Arts • Warwickshire Race Equality Partnership • Warwickshire Race Equality Partnership • West Midlands Combined Authority Audit Group 	
	R. Tromans	Director of RTC Ltd		

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	H. Walmsley	Chief of Staff to Julian Knight MP Self-employed Public Relations Consultant.	Chartered Institute of Public Relations	
	C.M. Watkins	Landlord of a privately rented property	Representative on the following outside bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Home Improvement Agency. • Nuneaton and Bedworth Safer and Stronger Communities Partnership. • Safer Warwickshire Partnership Board. • Warwickshire Housing Support Partnership. • Warwickshire Police and Crime Panel. 	
	K.D. Wilson	Employee of the Courts Service	Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited	Dispensation to speak and vote

Council - Schedule of Declarations of Interests – 2019/2020

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	J. Beaumont		Board member of Bulkington Community Library CIC in addition to an unpaid Manager of the library. Board member of Bulkington Village Centre Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Older People's Forum 	
	K. Brindley-Edwards	Teacher and Head of 6 th Form at Beauchamp College	Representative on the following Outside Body: <ul style="list-style-type: none"> • King Edward VI College Foundation - Trustee 	
	D. Brown	Employed by H.M Land Registry		
	S. Croft	Employed at Holland & Barrett Retail Ltd	Treasurer of the Conservative Association	
	G. Daffern	Trainee teacher at Sidney Stringer Academy, Coventry; Teacher of History, Etone College, Nuneaton	Co-opted Governor at Newdigate Primary School	
	S. Doughty	People in Action Cherville Limited	Unite the Union	
	P. Elliott	Employee of CW Mind's Autism Support Service	Governor at Stockingford Nursery Representative on the following Outside Bodies: <ul style="list-style-type: none"> • Friendship Project for Children 	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	K. Evans	Employee of Academics Ltd	Executive Officer at the North Warwickshire & Bedworth Conservative Association Association Representative of Warwickshire Conservative Area Association	
	J. Glass	None	None	
	D. Gissane		Member of Warwickshire County Council	
	C. Golby		Member of Warwickshire County Council	
	S. Gran		Member of Warwickshire County Council	
	J. Gutteridge	Startin Tractors	Representative on the following Outside Bodies: • Age UK (Warwickshire Branch)	To speak and vote on any matters involving the Borough Plan related to land at Leyland Road Bulkington
	W.J. Hancox		Unite the Union Representative on the following Outside Bodies: • Building Control Partnership Steering Group • Hammersley Smith & Orton Charity	
	L. Hocking	Employed by Openreach	Member of: • Unite the Union • Communication Workers Union Representative on the following Outside Bodies: • Committee of Management of Hartshill and Nuneaton Recreation Ground	
	J.A. Jackson	Any matter relating to the employment policies and procedures of Nuneaton & Bedworth Borough Council or any matter relating to the contractual arrangements with Sport & Leisure Management Ltd.	Unite the Union Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited Representative on the following Outside Bodies: • Coventry, Warwickshire & Hinckley and Bosworth Joint Committee • District Leaders • Local Government Association • Local Enterprise Partnership	Dispensation to speak and vote on matters that do not relate specifically to her husband's contract of employment. Dispensation to speak and vote

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
			<ul style="list-style-type: none"> West Midlands Combined Authority 	
	K.A. Kondakor		Member of Warwickshire County Council	
	A. Llewellyn-Nash	Employee of BMI Healthcare	<p>Treasurer of Exhall Multi-cultural Group</p> <p>Governor at Newdigate Primary and Nursery School, Bedworth</p>	
	I. Lloyd		Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited.	Dispensation to speak and vote
			<p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> Nuneaton & Bedworth Sports Forum Camp Hill Urban Village and Pride in Camp Hill Poor's Piece Charity Committee of Management of Hartshill & Nuneaton Recreation Group 	
	B.J. Longden		Daughter and son-in-law work in the NHS	
			Member of the Stockingford Community Centre	
			Ex-Officiate of the Veterans Contact Point Board	
			<p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> George Eliot Hospital NHS Trust – Public/User Board George Eliot Hospital NHS Foundation Trust Governors Armed Forces Covenant Meeting Astley Charity 	
	B. Pandher		<p>Member of Warwickshire County Council</p> <p>Treasurer & Trustee of Nanaksar Gurdwara Gursikh Temple;</p> <p>Coordinator of Council of Sikh Temples in Coventry;</p> <p>Secretary of Coventry Indian Community;</p> <p>Trustee of Sikh Monument Trust</p> <p>Vice Chair Exhall Multicultural Group</p>	

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	G.D. Pomfrett	None	None	
	N. Phillips	Employee of DWP	<p>Member of:</p> <ul style="list-style-type: none"> • A5 Sterling Group (Council Representative) • Nuneaton Labour CLP • The Fabian Society • The George Eliot Society • The PCS Union • Nuneaton Credit Union <p>Non-Executive Director with Nuneaton and Bedworth Community Enterprises Limited.</p>	<p>NABCEL – to speak and vote on any matter where the Council or Cabinet is asked to approve any funding arrangement; grant; or other legal instrument with the company but this dispensation shall not apply where any Non-Executive Director benefits from the arrangements in a personal capacity.</p>
	M. Rudkin	Employee of Coventry City Council	<p>Unite the Union</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • A5 Member Partnership • PATROL Joint Committee • Warwickshire Health & Wellbeing Board • Building Control Partnership Steering Group 	
	A. Sargeant		<p>Member of Warwickshire County Council Chairman of The Nook (Nuneaton) Residents Association. Chair of Attleborough Community Matters group. Chair of Attleborough Neighbourhood Watch Volunteer at Volunteer Friends Bulkington. Member of Nuneaton Carnival Committee</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Advice Rights 	
	J. Sargeant	Board Member and Head of Retail – Life Charity	Board of Directors – Volunteer Friends, Bulkington	To speak and vote on any matters related to the Salvation Army Charity (SATCOL) or related bodies, unless the matter directly affects the contract of employment of the Councillor

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	J. Sheppard		<p>Partnership member of the Hill Top and Caldwell Big Local.</p> <p>Director of Wembrook Community Centre.</p> <p>Member of the Management Committee at the Mental Health Drop in.</p> <p>Champion for Safeguarding (Children & Adults)</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Local Government Superannuation Scheme Consultative Board • Warwickshire Direct Partnership • Warwickshire Waste Partnership • West Midland Employers • Nuneaton Neighbour Watch Committee 	<p>Dispensation to speak and vote on any matters of Borough Plan that relate to the Directorship of Wembrook Community Centre</p>
	T. Sheppard	Employee of Dairy Crest	<p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Warwickshire Adult Social Care and Health Overview and Scrutiny Panel 	
	R. Smith		<p>Chairman of Volunteer Friends, Bulkington; Board member of Bulkington Village Community and Conference Centre Trustee of Bulkington Sports and Social Club</p>	
	J.A. Tandy		<p>Partnership member of the Hill Top and Caldwell Big Local.</p> <p>Representative on the following Outside Bodies:</p> <ul style="list-style-type: none"> • Nuneaton Festival of Arts • Warwickshire Race Equality Partnership • Warwickshire Race Equality Partnership • West Midlands Combined Authority Audit Group 	
	R. Tromans	Director of RTC Ltd		

	Name of Councillor	Disclosable Pecuniary Interest	Other Personal Interest	Dispensation
	H. Walmsley	Chief of Staff to Julian Knight MP Self-employed Public Relations Consultant.	Chartered Institute of Public Relations	
	C.M. Watkins	Landlord of a privately rented property	Representative on the following outside bodies: <ul style="list-style-type: none"> • Nuneaton and Bedworth Home Improvement Agency. • Nuneaton and Bedworth Safer and Stronger Communities Partnership. • Safer Warwickshire Partnership Board. • Warwickshire Housing Support Partnership. • Warwickshire Police and Crime Panel. 	
	K.D. Wilson	Employee of the Courts Service	Non Executive Director with Nuneaton and Bedworth Community Enterprises Limited	Dispensation to speak and vote

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 on the day 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 For these Procedure Rules a question shall comprise of a small paragraph of no more than 3 sentences, with the purpose of seeking information on a single matter. A statement shall be an expression of opinion which does not seek nor require an answer or response.

4.9.5 The Mayor will invite the relevant Cabinet Member or Committee Chair to give a reply. Such reply shall not exceed three minutes.

4.9.6 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.

4.9.7 Record of Questions and Statements

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

4.9.8 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.

4.9.9 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 9.6

Cabinet Report to Council, 17th February 2020

1. Introduction

This report deals with the Cabinet meetings held on 18th December 2019, 15th January and 5th February, 2020.

It also includes details of any reports from the West Midlands Combined Authority Board, which have, or may have in the future, a direct impact on NBBC, namely the Board meeting of 17th January, 2020.

2. 18th December, 2019 Cabinet Meeting

a) Arts and Leisure Portfolio – Councillor I. Lloyd
NBBC Leisure Facilities Options and Consultation

A report regarding the above was submitted seeking Cabinet approval of recommendations relating to high level options and designs in order to determine a future strategic direction to support the delivery of new leisure facilities in the Borough, following its consideration by the Internal Overview and Scrutiny Panel (IOSP) on 14th November 2019.

Cabinet approved the recommendations, as set out in Minute CB54.

b) Finance and Civic Affairs Portfolio – Councillor J. Jackson
General Fund and Housing Revenue Account Quarterly Budget Monitoring Report – Quarter 2 2019/20 Update

A report regarding the above was submitted to Cabinet detailing the forecast outturn position for 2019/20 as at the end of September 2019, for the General Fund and Housing Revenue Account budgets and updated capital programmes for the year.

Cabinet approved that the forecast outturn position for 2019/20 for the General Fund and HRA be noted; virements for the General Fund revenue account and virements to update the General Fund and HRA Capital Programmes, as detailed in appendices attached to the report, be approved; and delegated authority be given to the Executive Directors to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme for both the HRA and the General Fund.

c) Housing and Communities Portfolio – Councillor C. Watkins
Electrical Services Contract – Housing Revenue Account

A report was submitted to request that Cabinet consider the approval of electrical repair and maintenance services for reactive repairs and void properties within the Housing Revenue Account (HRA), via a Teckal agreement with NABCEL.

Cabinet approved that the Council enter into a Teckal agreement with NABCEL for the provision of electrical repair and maintenance services for reactive

repairs and void properties within the HRA; delegated authority be given to the Director - Arts, Leisure and Democracy to establish that agreement; and the report be marked not for call in due to the timescales involved to put in place the new contract and ensure continuity of the service.

3. 15th January, 2020 Cabinet Meeting

a) Finance and Civic Affairs Portfolio – Councillor J. Jackson Transforming Bedworth Cross-Party Working Group

A report was submitted to Cabinet seeking approval to set up a Transforming Bedworth Cross-Party Working Group, comprising of both Borough Councillors and County Councillors, in order to oversee the future long-term physical and economic development of Bedworth town centre.

Cabinet approved that a Transforming Bedworth Cross-Party Working Group, comprising of three Borough Councillors and three County Councillors, be established in order to oversee the future long-term physical and economic development of Bedworth town centre; the Borough Council membership of the Transforming Bedworth Cross-Party Working Group be the Leader of the Council, one other member of the controlling political group and one member of the main opposition group; and the County Council be invited to nominate three Councillors to the Transforming Bedworth Cross-Party Working Group.

b) Planning, Development and Health Portfolio – Councillor N. Phillips Internal Overview and Scrutiny Panel Review of Car Park Charging

The Internal Overview and Scrutiny Panel submitted the findings and recommendations from a review carried out by the Car Park Charging Working Group, and requested that the Portfolio Holder for Planning, Development and Health consider the actions listed in Appendix A for approval.

Cabinet thanked the Working Group for the work they had carried out on the review; noted the contents of the report, and agreed that the Portfolio Holder for Planning, Development and Health consider the recommended actions, as set out in Appendix A to the report.

4. 5th February, 2020 Cabinet Meeting

a) Finance and Civic Affairs Portfolio – Councillor J. Jackson Quarterly Review of Strategic Performance Report – Third Quarter 2019/20

A report was submitted to Cabinet providing an overview of the Council's position under the following categories:

- Finance
- People and Service Delivery
- Processes
- Improvement

Cabinet approved that the report be noted; and the Housing Health and Safety letter circulated to residents of Independent Living Schemes, be circulated to all Council Members.

b) Housing and Communities Portfolio – Councillor C. Watkins
Johnson Road, Bedworth – Housing Development and Community Use Proposal

A report was submitted to Cabinet with information on the proposal to develop a small housing development and a community use (Club House) provision at the old Elizabeth Sports Centre site in Bedworth at Johnson Road.

Cabinet approved that the site at Johnson Road, Bedworth be brought to the market for sale in accordance with its allocation within the Local Plan, at market value to achieve a capital receipt for the General Fund; if a suitable offer is not received within 9 months, the Council develop the land itself on a commercial basis; the (HRA) Housing Land on the adjacent side of Johnson Road (see Appendix A) be appropriated to the General Fund; a long term lease agreement of up to 35 years at a peppercorn rent for the Community Club house and two grassed pitches be approved, with the appropriated land being included within the lease to provide provision for car parking; and a long term lease agreement be progressed immediately.

c) Housing and Communities Portfolio – Councillor C. Watkins
Recommendation from Internal Overview and Scrutiny Panel
Empty Homes Review

The Internal Overview and Scrutiny Panel at its meeting of 23rd January 2020, made a recommendation to the Portfolio Holder for Housing and Communities that a full-time Empty Homes Officer be appointed.

Cabinet approved that the Portfolio Holder for Housing and Communities consider the recommendation.

d) Planning, Development and Health Portfolio – Councillor N. Phillips
Recommendation from Internal Overview and Scrutiny Panel
Planning Portal for Viewing Planning Applications

The Internal Overview and Scrutiny Panel at its meeting of 23rd January 2020, made a recommendation to the Portfolio Holder for Planning, Development and Health that, if possible, the Communications team create a video explaining how to navigate and the use the system.

Cabinet approved that the Portfolio Holder for Planning, Development and Health consider the recommendation and explore the possibility of creating a Youtube video with the relevant officers.

e) Arts and Leisure Portfolio – Councillor I. Lloyd
Leisure Contract Extension – Everyone Active

The Director Arts, Leisure and Democracy, Executive Director – Operations and the Executive Director – Resources submitted a report providing Cabinet with information on a proposal to extend the duration of the existing Leisure Facilities Management contract.

Cabinet approved that the existing seven year leisure facilities management contract, approved in January 2014 by Cabinet, be extended by four years, to end on 31st March 2025; in order to provide flexibility in the delivery of the Council's Leisure Strategy, a further one year extension option be written into the leisure facilities management service contract to allow, if appropriate, it to continue until 31st March 2026; the Council accepts the Best and Final Offer provided by Everyone Active in December 2019 to manage the Council's leisure facilities until 31st March 2025 as detailed in the report; and the report be marked "Not for Call in" on the grounds of urgency as detailed in the report.

5. West Midlands Combined Authority (WMCA)

The WMCA Board meeting of Friday 17th January 2020 covered the following items which have, or may have in the future, a direct impact on NBBC:

- a) A financial monitoring report that provided a summary of the 2019/20 revenue and capital spend against approved budget. This showed a £1.544m favourable variance from budget. This consisted of a favourable variance of £1.403m within Transport largely due to favourable variances within concessions, staffing, and infrastructure, partly offset by increased cost pressures within Subsidised Bus following the closure of Accessible Transport Group (ATG). There was an additional favourable variance of £0.141m within the Delivery budget due to additional grants awarded since the budget but this was offset by investment income which is lower than budgeted.

Following the second reforecast of the year there was a favourable full year variance to budget of £2.256m. This consisted of a favourable variance of £1.972m in Transport against budget, primarily as a result of lower patronage volumes and changes in the timetable of capital requirements. Further opportunities to manage contractual arrangements in Transport are underway but were not yet included in the forecast. Progress is being made against the £3.3m efficiency savings which are required to support the WMCA budget next year. The progress will be revisited in the Q3 forecast that will be reported to the WMCA Board in March 2020.

A further favourable variance within the Delivery budget of £0.284m is driven by savings against loan interest as no new borrowing has been undertaken.

- b) A report outlining the WMCA Draft Budget for 2020/21 that was the first part of the formal process to determine the West Midlands Combined Authority's budget, levy and precept levels for 2020/21. This report will form the basis for the budget proposals to be presented to the WMCA Board on 14 February 2020 and contained a Medium Term Financial Plan across all revenue and capital budgets. The report confirmed that Non-Constituent Authority fees are to remain at the same level as 2019/20.

- c) A report giving an update on the implementation of the West Midlands Local Industrial Strategy across the Midlands three LEP geography including the Coventry and Warwickshire LEP.
- d) A report relating to “#WM2041: Our Actions to Meet the Climate Challenge” that sought WMCA Board’s:
 - Endorsement of the “Climate Green Paper” attached as Appendix A to the report as an important stage in a programme of collaboration, engagement and policy development to address the climate challenge in the West Midlands; and
 - Agreement on the next steps outlined in section 4 of the report – including the development of an investment pipeline with priority investments as part of the WMCA’s our Spending Review / Budget proposition to Government – and delegation of this collaborative task to the WMCA Environment Board, supported by the WMCA executive.

The WMCA Climate Green paper is based on five underlying principles, with these being:

- **Principle 1** - *We need to make the journey to 2041 without leaving anyone behind.*
- **Principle 2** - *We need to boost our resilience to ‘locked in’ climate breakdown.*
- **Principle 3** - *We need to reconcile our past with our future.*
- **Principle 4** - *We need to build more places, and more connectivity between places.*
- **Principle 5** - *We need to reduce demand for energy and resources without impacting on shared prosperity.*

The WMCA Climate Green paper uses the five principles above to outline a number of actions (over five, ten and fifteen year timeframes), which include:

1. *Active travel and cleaner transport – including incentives to adopt low emitting modes*
2. *Infrastructure to support the transition to electric charging at scale in the region.*
3. *The transition to more eco-friendly homes, including a West Midlands ‘new green deal’*
4. *Creating breathable places, including big ambitions for tree planting*
5. *The proposing of behaviour change campaigns at-scale, including on single use plastics*

6. *Investment to support re-skilling and employment as a result of sector transitions*
7. *Incentives for business innovation, including 'clean growth challenges'*
8. *Commitments we can make as 'anchor institutions' (as the public sector) within the region*
9. *Consideration of new fiscal mechanisms – such as workplace levies – to support clean air*
10. *Energy devolution so that we can combine sustainability with reduced fuel poverty*

6. **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 J.A. Jackson
Leader of the Council on behalf of Cabinet

CABINET

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date:	12th February 2020
Subject:	General Fund Budget and Capital Programme – 2020/21
Portfolio:	Finance & Civic Affairs
From:	Executive Director – Resources

Summary:

The report presents the draft General Fund revenue budget and capital programme for 2020/21 for consideration and submission to Council for approval. A forecast outturn for 2019/20 is also included in the report.

Recommendations:

- 2.1 To note the forecast outturn for the General Fund revenue and capital budgets for 2019/20
- 2.2 That the revised Capital Programme for 2019/20 of £11.513m be recommended to Council for approval.
- 2.3 That the Council Tax requirement for 2020/21 is determined as £9,168,458, an increase of £5 on a Band D, in accordance with the Local Government Finance Act 1992.
- 2.4 To note the 2020/21 Business Rates forecast reported to the Department for Communities and Local Government and included in the draft budget.
- 2.5 That Cabinet consider any increases in Fees and Charges for 2020/21

- 2.6 That the General Fund revenue budget for 2020/21 be agreed and submitted to full Council for approval.
- 2.7 That the Capital Programme for 2020/21 of £19.636m be recommended to Council for approval
- 2.8 That delegated authority be given to the Executive Directors to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme for the General Fund.
- 2.9 Due to the timescales involved with setting the budget and council tax for 2020/21 this report not be subject to the call-in procedures as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.

Options: To accept the report or request further information, having regard to the legal deadlines for setting the Council Tax

Reasons: The Council must set and maintain a balanced budget each year

Consultation undertaken with Members/Officers/Stakeholders

Portfolio Holders have been consulted on draft budgets.
Local business representatives were invited to participate in the consultation survey.

Subject to call-in: No

Ward relevance: All

Forward plan: Yes

Corporate Priorities: Theme 3: Priorities 1, 2 and 3

Relevant statutes or policy:

Local Government Act 2003

Local Government Finance Act 1992

Equalities Implications:

None

Human resources implications:

Employee costs are a significant part of the general fund budget and the Management of Change policy will apply to any employees affected by budgetary decisions.

Financial implications:

Included throughout 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:

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NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 12th February 2020

From: Executive Director – Resources

Subject: General Fund Budget and Capital Programme 2020/21

Portfolio: Finance and Civic Affairs (Councillor J Jackson)

Delivering Our Future Theme: 3

Delivering Our Future Priorities: 1, 2 and 3

1. Purpose of Report

- 1.1. To present the draft General Fund revenue budget for 2020/21 to Cabinet for any final amendments and approval.
- 1.2. To present the updated Capital Programme and financing for 2019/20 and 2020/21 for approval.
- 1.3. To update Cabinet on the Council's medium term financial position, taking into account the Spending Round and draft Local Government Finance Settlement

2. Recommendations

- 2.1 To note the forecast outturn for the General Fund revenue and capital budgets for 2019/20
- 2.2 That the revised Capital Programme for 2019/20 of £11.513m be recommended to Council for approval.
- 2.3 That the Council Tax requirement for 2020/21 is determined as £9,168,458, an increase of £5 on a Band D, in accordance with the Local Government Finance Act 1992.
- 2.4 To note the 2020/21 Business Rates forecast reported to the Department for Communities and Local Government and included in the draft budget.
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- 2.8 That delegated authority be given to the Executive Directors to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme for the General Fund.
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3 Forecast Outturn 2019/20 as at the end of December 2019 (Qtr 3)

- 3.1 The forecast outturn for the General Fund for the current year is a deficit position of £220k, compared to the budgeted contribution to reserves of £30k. A summary of the forecast outturn and key variances is shown at Appendix A.
- 3.2 The most significant cost pressure during the year has arisen from an increased demand for temporary accommodation. Whilst the Council can recover some of the cost via Housing Benefit subsidy, this only covers up to a maximum of £98 per week, whereas in many cases the cost can be around £700 per week. In July 2019 the number of households placed in temporary accommodation peaked at 85 and has regularly been above 70 families throughout the year. The Council has mitigated some of this cost through the partnership it has with Cornerstone and also by using some HRA voids for temporary accommodation. However, the variance is still expected to be in the region of £600k.
- 3.3 Income streams are always closely monitored during the year as they are demand-led services that are often difficult to accurately forecast. Income from the Civic Hall is higher than budgeted, both from shows and the bar and coffee shop. Income from both car parks and markets are currently forecasting to be around £50k below budget for the year, the latter due particularly to cancellations in bad weather. As reported in previous budget monitoring updates, there has been some increased costs in the recycling service due to the current state of the market and reduced demand for recyclable materials. A potential spend pressure has also been identified very recently in respect of greater than anticipated direct staffing costs for the kerbside recycling collection shared-service delivered by Coventry City Council. Discussions are ongoing with officers from Coventry to understand fully the makeup of direct staffing costs for this service, but it is felt to be prudent at this time to make budget provision to be meet a "worst case scenario" for extra direct staffing costs. This was not included in the Q3 Strategic Performance Report.
- 3.4 The green waste service is performing better than the original budget, which was set at a prudent level as it was the first year of charging. At the end of November over 21,000 properties had signed up for the scheme, giving total net income of £836k, compared to the budget of £500k.

3.5 There have also been vacancy savings across some sections, including Planning and Finance as the Council is experiencing some ongoing difficulty in recruiting, especially for those professional and technical posts.

4. Background – Local Government Finance Settlement

4.1 The provisional Local Government Finance Settlement was announced on 20th December 2019, having been delayed due to the General Election. The settlement confirmed much of what had already been announced as part of the Spending Round and technical consultation, with key aspects being:

- Council Tax – as previously announced at Spending Round 2019, the council tax referendum limit will be 2% with local authorities with social care authorities allowed a 2% social care precept. The provisional settlement confirmed districts will be allowed to apply the higher of the referendum limit of £5 on a Band D.
- Business Rates Retention – the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff / Top Up amounts) have all increased by 1.63%, in line with the September 2019 CPI inflation figure.
- New Homes Bonus - the 2020/21 allocations were announced and were in line with previous expectations. These will be paid with the legacy payments due from previous years (2017/18 to 2019/20). As previously announced, there will be no legacy payments for the 2020/21 in year allocations. The deadweight of 0.4% was maintained.
- Negative RSG – as in previous years, the government has decided to eliminate the negative RSG amounts.
- Business Rates Pilots – as expected, no new business rates pilots were announced for 2020/21, with all areas (aside) from the original 2017/18 pilot areas reverting back to the 50% scheme. The 2017/18 pilot areas are to remain at 100%, or 37% for the Greater London Authority.

4.2 The 2020/21 settlement is very much a ‘roll-over’ settlement, reflecting that the longer term Spending Review, initially planned for 2019, has been deferred due to the uncertainty surrounding Brexit. At the time of writing the report the final Local Government Finance Settlement had not been announced. A verbal update will be given at the meeting.

New Homes Bonus (NHB)

4.3 The New Homes Bonus allocations were announced at the same time as the settlement and the total grant the Council will receive in 2020/21 is £1.62m, based on housing growth of 757 between October 2018 and 2019. After taking into account the 0.4% baseline and increased empty homes (7) the net units for reward reduces to 522. It is important to note that:

- The overall allocation for each authority is based on the legacy payments for 2017/18 to 2019/20 plus the 2020/21 allocation;

- As previously announced, the 2020/21 “in year” allocations will not have future years legacy payments;
- The deadweight for 2020/21 in year allocations remains at 0.4%;
- The ministerial statement announced a Spring 2020 consultation on the future of the scheme, stating that *“It is not clear that the New Homes Bonus in its current form is focused on incentivising homes where they are needed most”* and the consultation will *“include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need, and which is aligned with other measures around planning performance”*.

Business Rates

- 4.4 Under Business Rates Retention (BRR), an estimate of the likely business rates income to be received the following year is made as part of the annual budget setting process. This forecast has to be submitted to the government by the end of January and also to Warwickshire County Council. In estimating business rates income an assessment is made of any changes during the year from appeals, discretionary and mandatory reliefs, exemptions and collection rates. We are also required to forecast the business rates position for the current financial year and any surplus or deficit arising from that is carried forward into future financial years.
- 4.5 The 2019/20 monitoring and 2020/21 forecast has again been challenging due to the new appeals process – ‘Check, Challenge, Appeal’ that was implemented by the Valuation Office Agency in April 2017. This has caused a great deal of uncertainty in relation to estimating the likely impact of appeals against the 2017 list. There have also been changes to various Business Rates Reliefs and the inflationary increase that is applied to business rates each year, although the government will fund loss of income from these changes through a specific grant.
- 4.6 Nuneaton and Bedworth Borough Council will be a member of the Coventry and Warwickshire Business Rates Pool for 2020/21. This allows all member authorities to retain more growth by paying a lower levy (9.86% in 2020/21 compared to 50% without a pool). There are governance arrangements in place setting out how additional growth is to be split across the pool. At the time of writing the report the growth from the pool in 2020/21 had not been confirmed but estimated growth of £30k has been assumed based on current trends. Once confirmed it is recommended that any additional income is contributed to the business rates volatility earmarked reserve to help fund future appeals or mitigate again the business rates reset in April 2021.
- 4.7 The retained income from business rates for 2020/21 is forecast to be around the same level as the current financial year and there is also a surplus of £120k to be brought forward from previous years. Because of the likely reset of business rates baselines in 2021/22, £176k of additional contributions to reserves will be made to support the capital programme in 2020/21 to mitigate the risk of becoming over-reliant on business rates growth.
- 4.8 A summary of the total core funding for NBBC for 2020/21 compared to 2019/20 is shown below.

	2019/20 £'000	2020/21 £'000
Business Rates after levy payment & prior year surplus/deficits *	14,905	14,828
Tariff (payable to MHCLG)	(9,263)	(9,414)
Net Retained Business Rates	5,642	5,414
New Homes Bonus	1,360	1,622
Collection Fund Surplus	75	151
Total Funding Before Council Tax	7,077	7,187

*includes specific grant to fund changes to SBRR

Council Tax Base and Collection Fund

- 4.9 The draft budget presented to Cabinet in November included a 1.99% increase in Council Tax. This increases a Band D charge by £4.65 to £238.31 and raises additional income of £179k. However, the provisional settlement confirmed that district councils could increase by £5 or 1.99%, whichever was higher. A £5 increase for this Council equates to 2.14% and would increase income by £192k. Over 80% of properties across Nuneaton and Bedworth are in Bands A-C so will see a lower increase. The annual increase for a Band A property will be approx. £3.34.
- 4.10 The Council is required to set both the Council tax base and the Collection Fund surplus or deficit in January each year. The Council Tax base is the overall number of properties that are estimated to be liable to pay Council Tax each year, after taking account of discounts and the collection rate. A surplus or deficit may arise each year if actual performance differs from that estimated. The updated draft budget now assumes that the £5 at Band D increase is approved, which would take the Council Tax Requirement to £9,168,458. This is based on a taxbase of 37,416, which is an increase of 2% from 2019/20. This takes into account the more generous Council Tax Support scheme approved by Council in December.
- 4.11 There is estimated to be a surplus on the Collection Fund which will be shared across all precepting authorities in proportion to their overall Council Tax proportions. This Council's share is £151k. The surplus has arisen due to a combination of factors, including a reduced caseload for Council Tax support.

Budget Consultation

- 4.12 Under the Local Government Finance Act, all local authorities are required to consult business rate payers as part of the budget setting process. The budget consultation survey was circulated to key business representatives to complete. The following feedback from received from the Federation of Small Businesses:

Comments in relation to Car Parking:

- The budget outlines an increase in spending pressures in Appendix A. Amongst these is an increase to Nuneaton and Bedworth Borough Council of £15,000 resulting from reduced car park income. The FSB would be grateful for further clarity on this as no further detail is included in the report. With the traditional high street and town centres under pressure parking remains a big issue for small retailers. High parking charges, aggressive enforcement and a lack of available spaces in many areas have discouraged shoppers from visiting traditional town centres and high streets, favouring out-of-town retail parks with free parking. While there is no one-size fits all solution to parking, we would encourage local authorities to ensure their policies support local high streets and small businesses and would welcome more free parking, including for time limited periods in town centres. We would be grateful for any further details that NBBC could provide on this particular measure which indicates no overall increases in car parking within the town centre which will help support small, independent retailers.

Comments in relation to Fees and Charges:

- We note in the income generation that there will be an increase in license fees of 5% for private hire drivers and private hire operators. While we understand that there is a need to propose a limited number of revenue raising proposals to achieve a balanced budget we would like to highlight that many private hire drivers may be small businesses or self-employed and this above inflation cost increase comes at a time when they will be facing other significant business cost increases and policy interventions which could have a real impact on their business.

Other comments:

- In terms of other related comments we welcome the monitoring of Brexit and potential impacts of a 'no deal' for the local business community and economy needing to be taken into account.

5. Draft General Fund Budget Position 2020/21

5.1 The draft budget for 2020/21 includes the following assumptions:

- Pay award estimate of 2.75% plus increased Independent Living Wage
- No price inflation unless it is contractual or unavoidable
- Employers pensions contributions in line with the 2019 triennial valuation
- An increase in the council tax base of 2%
- Increasing Council Tax to £5 on a Band D
- No further increase in fees and charges other than for Cemeteries
- Interest Rates per the latest forecasts
- 1.5% vacancy saving
- RSG and Business Rates in line with the table at section 4.8 above

5.2 Negotiations on the pay offer for 2020/21 is still ongoing, having been delayed during the General Election. The claim from the Trade Unions is '*real living wage*' of £10 per hour on NJC SCP1 and a 10% increase on all other NJC / GLPC pay

points' but this has not been accepted by the National Employers association. Further negotiation meetings with the Trade Unions are planned for early February. The Council has budgeted 2.75% for 2020/21 on the basis that the headline pay award for 2018-20 was 2% but the average was actually 2.8% as there was higher increases for lower scales.

- 5.3 A triennial revaluation of the Warwickshire Local Government Pension Scheme was undertaken in 2019 by the scheme's actuary. This has led to a reduction in pension contributions for 2020/21 and has generated a saving of £97k for the General Fund compared to the draft budget. This is reflected in the table below. The change in valuation shows an increase in investment returns of £40m on opening assets - this was better than expected and will be a one off gain due to the Brexit vote and impact on value of the pound in some of the Fund's investments. The fund's strategy is to be fully funded within a 19 year timeframe and there is a 75% probability of this being achieved even if employer contributions are reduced over the coming 3 years.
- 5.4 The additional recycling costs reflect the potential spend pressure already identified in section 3.3 above. In terms of the spend pressure relating to 22 Queen's Rd, the Council has been negotiating with a potential new tenant for this property and was anticipating income from part way through the year. Whilst negotiations are going well it is now likely that the Council will need to offer a longer rent-free period than initially thought in line with the current market standard for this type of commercial property lease.
- 5.5 The additional growth from business rates is based on the latest information available on appeals, new assessments and any reliefs. It also includes a forecast of the surplus to be brought forward from 2019/20. Due to the expected re-set of business rates baselines in April 2021 it is likely that the Council will lose a significant proportion of growth after this financial year and therefore the additional growth included is likely to be a benefit for one year only.
- 5.6 A number of spend pressures have been included in the draft budget as they have arisen and these are shown at Appendix B. A summary of the savings approved by Cabinet already is shown at Appendix C.
- 5.7 The report to Cabinet in November identified a surplus of 3k, after taking into account these spend pressures and savings. There have been a number of changes to the draft budget since that report and further savings identified. These are set out in the table below:

	£'000
Budget Surplus from November Draft Budget report	(3)
Changes from the budget process:	
Reduction in rental income from 22 Queen's Road	75
Potential additional costs of the Kerbside Recycling service (including estimated contract price inflation from November 2021 of £15k)	165
Saving from Leisure contract not achieved (per 5 th February Cabinet report)	55

	£'000
Impact of changes in recharge allocations (between GF & HRA)	55
Loss of rechargeable income on shared services	10
Leisure Feasibility – consultancy support to progress significant improvement works	50
Other minor budgetary changes	26
Further savings identified	
Civic Hall restructure (approved by Management Team)	(55)
Reduction in employer pension contributions	(98)
Additional Housing Benefit administration grant	(33)
Additional income from Green Waste charges	(78)
CPI increase in Cemetery Fees & Charges (final year of 3 year agreed increases to bring in line with neighbours)	(4)
Changes in Funding:	
Additional NNDR growth (net of contribution to General Capital Reserve)	(176)
Increased Council Tax Surplus from Collection Fund	(101)
Increased Council Tax Income due to increased tax base and £5 Band D	(58)
Increase New Homes Bonus allocation	(81)
Changes in use of earmarked reserves and funding of capital programme	38
Revised Surplus	(213)

- 5.8 The Council tax base is higher than the original forecast largely due to the number of new homes expected to be built during 2020/21.
- 5.9 Two growth items have been included in the final budget proposals. These are:
- £5k for VE Day Celebrations (2020/21 only)
 - £39k for 1.5 FTE Environmental Quality Operatives to remove general litter, graffiti removal, fly tipping removal, river and water course clearance, installing and repairing litter bins
- 5.10 After taking these growth items into account the surplus reduces to £169k.
- 5.11 As part of the draft budget process, a consultation exercise has been carried out with the Voluntary Sector on potential reductions in grant to be paid in 2020/21. An Equality Impact Assessment has also been undertaken. Taking into account the Council's current budget position for 2020/21 it is proposed that no reductions in grant be applied for next year.

- 5.12 As part of the budget setting process Fees and Charges are reviewed to ensure that they are still meeting their strategic objective, whether that is covering costs, maximising income or maximising demand. We have also carried out a benchmarking exercise with our 'nearest neighbours' to establish whether our charges are in line with others. This analysis showed that there is scope to increase our charges for sports pitches and car park season tickets, but Cabinet may consider that there are other reasons for keeping these lower – such as encouraging participation in sports or encouraging town centre footfall.
- 5.13 As a general principle Fees and Charges should be increased in line with inflation to keep our income in line with any increases in the cost of providing the services. The income raised from different increases in fees and charges shown in the table below:

Options for increases in Fees and Charges 2020/21							
Service Area	Predicted Outturn 2019/20	Base Budget 2020/21	1%	Sept CPI 1.7%	Sept RPI 2.4%	3%	5%
	£000	£000	£000	£000	£000	£000	£000
Pitch hire - cricket, bowling and football	22	22	0.2	0.4	0.5	0.6	1.1
Pitch hire for fun fairs and park events	7	7	0.1	0.1	0.2	0.2	0.3
Bulky Refuse	54	52	0.5	0.9	1.3	1.6	2.6
Road & Car Park Sweeping	8	8	0.1	0.1	0.2	0.2	0.4
Business Regulation & Environmental Protection	1	3	0.0	0.1	0.1	0.1	0.2
Markets and street traders fees	271	321	3.2	5.5	7.7	9.6	16.1
Car Parks (metered income + season ticket)	1,837	1,894	18.9	32.2	45.5	56.8	94.7
Civic Hall Bar & Bistro	144	169	1.7	2.9	4.0	5.1	8.4
Civic Hall Show & Room Hire charges	166	168	1.7	2.9	4.0	5.0	8.4
Town hall room hire charges	1	2	0.0	0.0	0.0	0.1	0.1
Caravan Site rentals	107	107	1.1	1.8	2.6	3.2	5.4
Total	2,619	2,752	27.5	46.8	66.1	82.6	137.6

6. General Fund Capital Programme

- 6.1 Details of the revised Capital Programme for 2019/20 and the draft Programme for 2020/21 are attached at Appendix E. These total £11.5m and £19.6m respectively.
- 6.2 Financing of the revised programmes for 2019/20 and the draft programme for 2020/21 is shown in the table below:

	2019/20 Forecast Outturn £'000	2020/21 Draft Budget £'000
Capital Receipts	2,450	2,826
Earmarked Reserves	1,179	5,028
Grants & External Contributions	6,490	6,596
Prudential Borrowing	1,394	5,186
Total	11,513	19,636

6.3 There has been some slippage of projects in 2019/20 where the budget will be moved into 2020/21. These are:

- Pavilions – Haunchwood has been delayed due to an arson attack and is currently with our insurers so hand over has been delayed. The scheduled work at Paul’s Land will begin early in 2020/21.
- Target Hardening – due to the successful application for the injunction, no specific works were undertaken for this scheme. However, it is prudent to retain the budget in the forthcoming year.
- Vehicle Replacement – vehicles have been ordered but will not be delivered until April 2020.
- Wireless CCTV – this project required detailed design work on locations for wireless transmitter points and investigation of the potential to jointly use town centre Wi-Fi service points for also transmitting wireless CCTV images. It is due to be tendered for shortly with a view to works starting in 2020/21.
- Sub-Regional Materials Recycling Facility – this is due to the complexity of the project which involves multiple partners and is being led by Coventry City Council. A lengthy procurement process has been extended slightly to ensure that sufficient companies engage and therefore the actual timeline for drawdown of the funding remains uncertain at this stage.
- Camp Hill – the CPO order was agreed in January 2020 but there is a 12 week consultation period. Therefore the purchase of the remaining properties will take place in 2020/21.
- Purchase of Investment Properties – a purchase was planned for 2019/20 but unfortunately the seller withdrew and no suitable alternatives have been identified to date. Therefore the budget will be rolled into 2020/21 for opportunities to be considered.
- HEART – this project is delivered across the whole of Warwickshire and is dependent upon demand.
- Conversion of Council House – this project is running to schedule and is due to complete in August 2020.

6.4 There are a number of new or increased projects included in the Programme for 2020/21. These include:

- Preliminary Works Riversley Park Bridge – for the provision of a bridge suitable for both pedestrians and cyclists and funded by external contributions.

- Pingles Running Track – the resurfacing and improvement of the track which was last replaced in 2010.
- Tennis Courts Miners Welfare Park – the project will include the resurfacing, fencing and new floodlighting to enable both netball and casual tennis. The facilities will then be managed by Bedworth Sports Club.
- Leisure Strategy – per the report submitted to the Cabinet on 18th December 2019, a budget of £1.16m is included to allow more accurate cost and design estimates to be produced
- Mobile Home Sites – this is the final phase of remedial works to improve fire safety and the expansion of one site. Works have progressed well and therefore some of the 2020/21 has moved forward to 2019/20.

6.5 The Council has had a shortage of capital receipts for several years and has been continually identifying assets for potential disposal. There is approximately £500k of receipts due in 2020/21 from relatively small asset sales. In order to progress at pace the regeneration of both town centres and the implementation of the leisure strategy the Council will be placing increased emphasis on disposing of surplus assets to generate receipts to fund the capital programme.

7. Reserves

7.1 As part of the budget setting process each year, the S151 officer is required to review and confirm that the level of reserves held is prudent in light of the risks that the authority faces. This is increasingly important as the authority now faces much more volatility in its income and is facing further reductions in funding over the next 3 years at least.

7.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) have guidance on local authority reserves and balances and this sets out three main purposes for which reserves are held:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements

7.3 Forecast reserves at the end of March 2020, 2021 and 2022 are shown in the table below:

	March 2019	March 2020	March 2021	March 2022
	£'000	£'000	£'000	£'000
Risk Based Reserves	(4,029)	(3,700)	(3,727)	(3,727)
Revenue Earmarked Reserves	(3,043)	(2,772)	(2,572)	(2,415)

Capital Earmarked Reserves	(1,921)	(3,538)	(1,444)	(1,195)
General Fund Balance	(1,660)	(1,439)	(1,439)	(1,439)
Total	(10,653)	(11,449)	(9,182)	(8,776)

- 7.4 The overall level of reserves is deemed reasonable and prudent when compared to the risk assessment set out at section 9 and the level of savings required to be identified and achieved over the medium term. There are earmarked reserves held for specific risks, such as business rates and council tax support, alongside the Financial Planning reserve that will help the authority plan for future spending reductions. It is widely acknowledged that local authorities need to maintain a higher level of reserves than in previous years because of the additional risks and uncertainties faced.
- 7.5 The revenue reserves include a number of grants and external contributions that have been received for specific projects and are to be spent in future years. For instance, as at March 2020 there is forecast to be £181k for skills and development work as part of the Camp Hill regeneration scheme and £315k of New Burdens grant for Welfare Reform. Reserves are also held to fund future liabilities, such as the Insurance Fund which is estimated to stand at £680k as at end of March 2020.
- 7.6 The capital reserves are to fund investment in our assets and avoid the need for borrowing at a time when available capital receipts are low. These reserves are mainly made up of annual revenue contributions and the New Homes Bonus allocation. This reserve is forecast to reduce over the next three years due to anticipated changes to the New Homes Bonus scheme. The Council may need to consider alternative sources of funding for the capital programme.
- 7.7 A Business Rates Volatility Fund is also in place to help to smooth the impact of changes in business rates income, particularly from appeals. A revaluation of all properties took place during 2017 and new rateable values came into effect on 1st April 2017. This may lead to a raft of new appeals, the impact of which is unknown. This is particularly difficult to estimate as a new appeals process was also implemented by the VOA from April 2017 and very little information on appeals has been received since the new system came into place. In addition, it is likely that, alongside the implementation of 75% Business Rates Retention there will need to be a reset of all business rate baselines. This places significant risk and uncertainty over business rates income post-2020. This reserve is forecast to stand at £1.9m at March 2020 and 2021. This is minimum level that is deemed acceptable for this reserve, based on the gap between our current income supporting the General Fund budget and the safety level.
- 7.8 There is a reserve for homelessness prevention of approximately £300k which is made up of several time-limited government grants. There are a number of initiatives being undertaken on homeless prevention – such as the Rough Sleeper Initiative being funded from a government grant – and once these have

been evaluated the Council will consider how best to use the reserve to make the biggest impact on the prevention of homelessness in the Borough.

- 7.9 The table at section 7.3 shows that the reserves held by the authority are set to reduce significantly by March 2021. This is mainly due to the use of capital reserves to finance the capital programme and invest in our assets to ensure they are fit for purpose, and a forecast reduction in the New Homes Bonus grant. Grants and contributions that have been received are also planned to be spent on specific projects. There may also need to be further contributions required from the Business Rates Volatility reserve in order to smooth the impact of a full reset of business rates baselines in 2021.
- 7.10 The Three-Year Financial Plan was developed on the basis that the revenue budget must be sustainable and therefore should not rely on reserves to support the budget on an on-going basis.
- 7.11 In response to concerns about the financial resilience of local authorities in the face of funding reductions and rising demand for services, CIPFA has launched a Financial Resilience Index which looks at a range of factors that may affect resilience and sustainability. These are all backward looking indicator and are based on statutory government returns. Whilst the indicator can provide some useful information on the financial position of an authority it is important to consider the wider context of an individual authority.
- 7.12 The Index primarily relies on information on earmarked reserves and for Nuneaton and Bedworth is shows that we are at slightly higher risk compared to our nearest neighbours based on level and use of reserves. Many of the Council's earmarked reserves are for capital investment and annual revenue contributions are made into these reserves. The reserves have been used in recent years to improve or replace our operational assets (such as refuse vehicles) and also to purchase properties to lease to NABCEL. Reserves are not used to support the revenue budget to replace longer term funding or where savings have not been achieved and so the Council's use of reserves in this context is not considered an issue of resilience. Whilst the Council has earmarked reserves to cover specific risks and future requirements, the Councils unallocated balances are lower than many of its nearest neighbours which does give a slightly higher risk profile. The Index also shows that the Councils business rates growth above the baseline is slightly higher than the average of our nearest neighbours, which means the Council is more exposed to the business rates reset expected in 2021.
- 7.13 It should be noted that whilst the level of reserves held are considered reasonable, they are on the very low end of that scale, particularly unallocated balances given the 2019/20 forecast variance.

8. Medium Term Financial Plan (MTFP)

- 8.1 A high level update of the Council's MTFP was undertaken in October 2019 but acknowledged that a more comprehensive update would be needed once the Spending Review 2020 had been announced.

8.2 The MTFP has been updated as part of the budget setting process to take into account any new information available from the provisional settlement for 2020/21. The following assumptions have been used:

- A full reset of business rates baselines from 2021/22
- An increase in Council Tax of 1.99% from 2021/22
- A 1% increase in the taxbase
- Investment income in line with current interest rate forecasts
- Inflation only where contractual and a 2% pay award per annum
- A significant reduction in New Homes Bonus, pending Spending Review 2020, and continuing to use NHB for capital purposes.

8.3 Based on these assumptions, the table below sets out the potential deficit over the next two years:

	2021/22 £m	2022/23 £m
Total Draft Budget (after known savings and spend pressures)	13.907	14.309
Funded by:		
Net retained business rates	3.773	3.847
Revenue Support Grant	0	0
New Homes Bonus	0.405	0.268
Council Tax	9.444	9.729
Collection Fund	0.050	0.050
Total Funding	13.672	13.895
Forecast (Surplus)/Deficit	0.235	0.415
Forecast (Surplus)/ Deficit (excluding 1.99% increase in Council Tax)	0.419	0.790

8.4 The potential deficit is shown both with and without the effect of a 1.99% Tax increase in future years. This is reduced from 2.99% in the previous version of the MTFP based on the Referendum Limits for 2020/21. The government has included assumptions for both taxbase growth and council tax increases when calculating the multi-year settlement and so the Spending Power figures are predicated on a Council Tax increase, but clearly this would be a local decision each year.

8.5 The table above assumes a full reset of business rates in 2021/22. It is likely that there will be some form of transitional arrangements to mitigate the impact in the early years but there is no information available on how this would be applied.

8.6 The Council also has a continuing shortage of capital receipts, hence the strategy of using New Homes Bonus to fund the Capital Programme and avoid borrowing costs. The Council continues to identify surplus assets to actively marketed to generate further capital receipts and will be actively pursuing land disposals during 2020/21

8.7 There are significant risks to the Council's financial position in the medium term mainly from:

Spending Review 2020 – very little is known about the Spending Review yet, but the outcome could have a significant impact both in terms of the overall spending envelope and then how government may wish to prioritise spending across departments.

Review of New Homes Bonus – the government has committed to a review of NHB during 2020 but the terms of reference or timescales are unknown. The ending of legacy payments is a sign that NHB may not continue in its current form after 2020/21 but it is likely that the government will want to continue to incentivise new homes in some form.

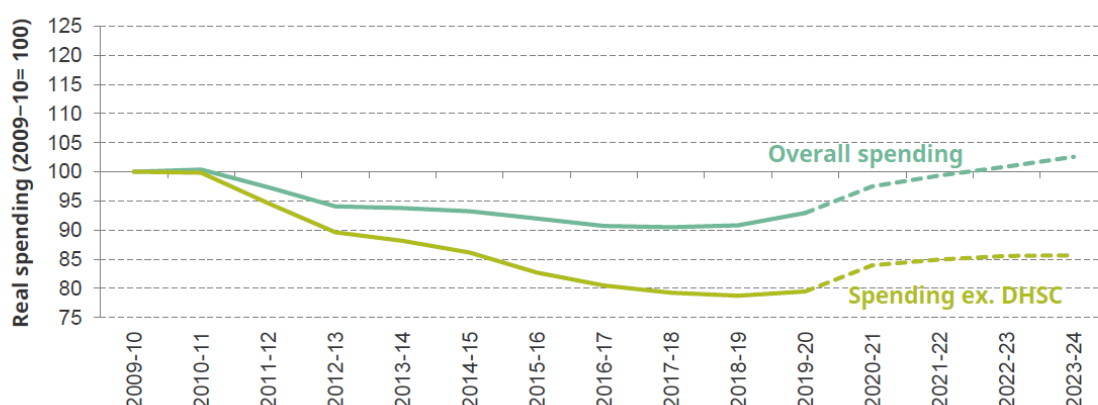
Homeless Reduction Act – the Council has already seen a significant increase in demand in recent year for temporary accommodation and this is not sustainable in the long term. The Council is taking some steps to mitigate the increased costs and provide improved accommodation for those in need of temporary accommodation but will also need to increase focus on prevention. The Council has previously received New Burdens funding towards and has been awarded a further £97k for 2020/21. However, this funding is time-limited and has not been confirmed post-2021.

Fair Funding Review – this is due to complete in 2020 and will determine the formula used to allocate resources across local government.

Business Rates – the most significant financial impact and risk will come from the implementation of 75% business rates is planned for 2020/21 alongside a re-set of business rates. This could potentially mean that the council loses around £2m of growth that it has experienced since the start of the system in 2013.

8.8 Whilst the Spending Round and Local Government Finance Settlement were positive for the Council and the sector as a whole, there are still likely to be challenges after 2020. The chart below from the Institute of Fiscal Studies demonstrates that whilst overall government spending may increase from 2022, priorities will continue to be the NHS and social care.

Overall day-to-day spending set to exceed 2010 levels by 2022-23, but outside health still down 15%



Note: All figures denote public sector current expenditure in resource DEL (PSCe in RDEL). Government spending plans do not exist beyond 2020-21: we assume that in the absence of the election, the government would have frozen all spending outside of the NHS and schools in England in real terms between 2020-21 and 2023-24; this is consistent with the Conservative manifesto.

- 8.9 The Spending Review, Fair Funding Review and Business Rates changes were due to come into effect for April 2020. They were deferred 12 months in order to ensure that adequate time was given to carry out the reviews and ensure that local government had sufficient notice to plan for changes in their financial position. However, there is still a risk that the outcome of the three changes may not be known until fairly late in 2020.
- 8.10 Effective Financial Planning is crucial to ensure that the Council is well placed to deliver the savings required and mitigate the risks above and those included in the risk assessment at section 9. There are not sufficient General Fund unearmarked balances to support the budget to 2022/23 and so a savings plan will need to be developed and implemented as a matter of priority.

9. Risk Assessment

- 9.1 An assessment of the key financial risks facing the Council is important to ensure that the Council's reserves position is adequate and that the budget being proposed is robust. The table below details the key risks identified and which have been taken into account when reviewing the level of reserves that are maintained.
- 9.2 The Financial Planning Reserve is held as risk cover for this and is estimated to stand at £0.9m by the end of March 2020. This is lower than the target set out below, but there are also additional General Fund balances of approximately £400k which are unearmarked.

Risk Area	Cost Implications	Mitigation	Impact	Likelihood	Reserve Cover
Continued economic downturn affecting income streams and demand for services	Not quantifiable	Regular and effective budget monitoring to identify income shortfalls early. Sufficient reserves maintained.	High	Medium	0.5% of current income budgets - £236k
Business rates income less than forecast due to higher number of appeals, empty properties and liquidations	Not quantifiable. A provision has already been made in the accounts (£1.55m at the end of March 2019) and in the budget forecast for 2019/20 for the estimated cost of successful appeals. The new ratings list from April 2017 and the new 'Check, Challenge, Appeal' process for lodging appeals increases the uncertainty. This reserve is also likely to need to increase once 75% retention of business rates is introduced.	Business Rates Contingency Reserve is maintained and additional contributions made where necessary. Regular monitoring of NNDR income throughout the year. Business Rates pool exists across Coventry and Warwickshire to retain and share additional growth.	High	High	Specific reserve maintained
Increased take-up of Local Council Tax Support	Each 1% take up would cost the scheme approximately £80k (of which approx.. £10k would relate to NBBC).	LCTS reserve maintained to fund any increased take-up in year. Scheme can be reviewed before the start of each year to adjust cost.	Medium	Medium	Specific reserve maintained
Lower Council Tax and	Each 0.5% reduction in	Close monitoring of collection rates	Medium	High	£115k – 0.5%

Risk Area	Cost Implications	Mitigation	Impact	Likelihood	Reserve Cover
Business rates collection rate than anticipated due to economic downturn and Welfare Reform	collection rate would reduce income collected for NBBC by around £115k	throughout the year. Corporate Debt Policy has been reviewed.			reduction in collection
Reduction in income from fees and charges	1% = £81,000 approx	Income forecasts included in the draft budget are realistic at this time. Regular and accurate budget monitoring and adequate reserves maintained.	High	High	Included in first risk above
Vacancy Allowance	1.5% = approx. £142k	The target in the draft budget is achievable but will need to be pro-actively managed.	Medium	Medium	£142k
Unbudgeted expenditure /overspend	Difficult to quantify. Gross expenditure is in the region of £60m	Effective and accurate budgetary control to identify variances at an early stage.	Medium	Medium	0.5% of gross expenditure - £300k
Inflation higher than budgeted	Various	RPI and CPI are forecast to remain relatively stable during 2019. Draft budgets based on experience and information available and higher inflation levels have been applied to high risk areas, such as fuel.	Medium	Low	1% increase in net budget - £162k
Increases in contract costs at the point of retendering	Not quantified – depends on market conditions	Use of procurement frameworks or collaborative procurement to	Medium	Medium	N/A

Risk Area	Cost Implications	Mitigation	Impact	Likelihood	Reserve Cover
		ensure value for money. Early planning and use of reserves to smooth any fluctuations in cost.			
Achievement of savings targets	Various and ongoing	The areas to be reviewed have been selected using a number of criteria to ensure that the savings are realistic, but each one will need to be carefully managed. Savings targets in recent years and in future years have been up to £1.5m per annum but savings identified early in the budget process which partly mitigates the risk.	Medium	Medium	£250k
Third party working arrangements	Not quantified	There are economies and efficiencies to be gained from effective working with other agencies but there may also be financial risks.	Low	Low	N/A
Increased demand for services as a result of reductions in spending by other organisations and welfare changes for example	Not quantifiable	Given the reductions in Government spending and further welfare reform changes, this may have a 'knock on' impact on General Fund services.	Low	Medium	Not quantifiable

Risk Area	Cost Implications	Mitigation	Impact	Likelihood	Reserve Cover
Significant uninsured losses	Not quantified	The insurance reserve currently stands at £683k.	Low	Medium	Specific reserve cover
Unforeseen emergencies e.g. bad weather	Not quantified	Mitigated by effective business continuity planning.	Low	High	
Impact of Brexit	Reduction in investment income is the most immediate financial risk	External treasury advice and regular monitoring of the situation	Medium	High	Low interest rate environment included in base budget position
					1,205

10. S151 S25 Assurance Statement

- 10.1 The 2003 Local Government Act places specific responsibilities on the Section 151 Officer to report on the robustness of the budget and the adequacy of proposed financial reserves when the authority is setting its budget for the forthcoming year. These principles are embedded throughout the Council's budget setting and medium term financial planning processes.
- 10.2 The budget estimates include assumptions on spend pressures, inflationary pressures, interest rate forecasts, and current trends on demand for services. The latter is kept under constant review, especially for the income generating services. The estimates also reflect the Local Government Finance Settlement 2020/21 and the multi-year settlement, as well as the most up to date forecast of business rates income. Savings targets have also been assessed to ensure that they are realistic and achievable.
- 10.3 The minimum prudent level of reserves that the Council should maintain is a matter of judgement, taking into account a number of factors. This includes an assessment of current and future risks that the Council faces but these can and will change over time and so this cannot be the only factor. Reserve levels are ultimately the Council's safety net against unforeseen or unexpected circumstances and risks. Failure to maintain a minimum prudent level of reserves could lead to the Council being forced to cut spending during the year in an arbitrary way leading to loss of services and reputational damage.
- 10.4 Reserves are established and maintained in line with the Code of Practice on Local Authority Accounting, and are reviewed annually by the S151 and also the Council's external auditors as part of the Value for Money Conclusion.

10.5 The main categories of reserves to be considered are:

- Earmarked Reserves

Earmarked reserves are those which the Council builds up over a period of time to fund known or predicted liabilities. Earmarked reserves may also contain funding for specific projects to be completed in the future, often by external contributions. The Council reviews the levels, contributions and appropriateness of these reserves annually as part of the budget setting process and when preparing the longer term financial strategy. The estimated earmarked reserves for the General Fund are set out at section 7.3 above.

- Unallocated General Reserves (General Fund)

The Council has determined a minimum working balance of £1m for the general fund balance over the medium term (approximately 7% of future net expenditure levels) to deal with timing issues and uneven cash-flows and avoid unnecessary borrowing. The General Fund balance is expected to stand at £1.44m at the end of March 2020.

10.6 These minimum levels will be kept under review during the course of the medium term strategy. In addition, there are other risks, identified in section 9 of the report, that have been taken into account when setting the optimal level for the Financial Planning Reserve. These include assumptions about budget savings and changes in the national and/or local economy as well as future changes in funding from the government Fair Funding Review and implementation of 75% Business Rates Retention.

10.7 Business Rates Retention has brought about much greater risk and uncertainty to local government finance. The level of reserves that are held by the General Fund are prudent and continue to reflect this on-going risk and uncertainty. In line with established accounting practice, part of the Council's financial strategy is to ensure that funding for future spending is not dependent on the use of reserves so as to demonstrate long-term sustainability.

10.8 Taking into account the above, together with all the proposals within the budget report, it is the Executive Director –Resources that the estimates for 2020/21 are robust and the proposed level of reserves is adequate.

11. Conclusion and next steps

11.1 The 2020/21 budget setting process has been less challenging than previous years due to the 'roll-over' settlement that was implemented in the absence of a longer term Spending Review. The medium term financial position is extremely uncertain, with a Spending Review planned in 2020 and a Fair Funding Review and 75% Business Rates Retention due to take effect from 1st April 2021.

11.2 The most up to date forecasts for future years identifies that savings of around £800k (or £400k including a Council Tax increase) may be required to ensure a balanced and sustainable budget can be maintained. A medium term savings plan will need to be developed to ensure that the Council is well placed to meet future financial challenges.

Simone Hines

General Fund – Forecast Outturn 2019/20

	Current Budget £	Current Forecast £	Forecast Variance £	Key Reason for Forecast Variance to Budget
Portfolio				
Arts, Leisure and Economic Development	5,581,360	5,584,646	3,286	Increased NNDR on Pavillions £4k. (£50k) saving on part year effect of grounds maintenance contract and (£17k) increased income from S106. A further (£27k) vacancy saving is currently predicted within Economic Development. £84k overspend predicted within Sports Development, primarily due to £72k of invoices received from Etone Sports Centre for utility costs spanning 4 years. These are currently being disputed
Central Services and Refuse	4,765,440	4,638,277	(127,163)	Extra Green Recycling fee income (£336k), increased wheeled bin purchases £41k, increased contractual cost of recycling collection £204k (combination of increased cost and reduced income from sale of recyclate) together with a loss of £14k income from recycling credits offset by (£72k) salary savings
Finance and Civic Affairs	3,606,680	4,202,838	596,158	£549k Rent Rebates cost net of subsidy due to increased level of homeless using B&B. £80k Rent allowances net losses. Income from recovered benefit overpayments is (£79k) better than budgeted. Income from recoverable legal charges is £70k lower than budget due to fewer cases. Vacancy Savings (£78k), Reduced market income £51k, partly offset by vacancy & NNDR savings (£18k), £7k additional costs of Mayors car.

	Current Budget £	Current Forecast £	Forecast Variance £	Key Reason for Forecast Variance to Budget
Housing, Health and Communities	1,550,820	1,506,904	(43,916)	Salary savings across the portfolio
Planning and Development	(260,000)	(366,968)	(106,968)	£53k reduced car park income but increase in fine income (£27k), reduced operational costs for planning policy (£56k) , total service vacancy savings net of agency (£81k)
Support Services		(51,319)	(51,319)	Salary savings plus small savings on printer equipment rental charges
Portfolio Total	15,244,300	15,514,378	270,078	
Central Provisions	334,500	334,500	0	
Depreciation & Impairment	(3,092,280)	(3,092,280)	0	
Contributions To/(From) Reserves	224,074	67,530	(156,544)	Use of Business Rates Volatility Reserve
Financing of Capital Expenditure	2,617,720	2,617,720	0	
Premiums on early repayment of debt	21,120	21,120	0	
Investment Income	(361,850)	(381,000)	(19,150)	A number of strategic investments have been placed for period up to 12 months to lock in yield before rates decline.
Minimum Revenue Provision	415,400	415,400	0	
External Interest	444,500	444,500	0	
Total Council Net Expenditure	15,847,484	15,941,868	94,384	

	Current Budget £	Current Forecast £	Forecast Variance £	Key Reason for Forecast Variance to Budget
Council Tax	(8,800,524)	(8,800,524)	0	Reduced NDR growth in Business Rates pool due to increased appeals provision.
New Homes Bonus	(1,360,400)	(1,360,400)	0	
Business Rates Retention	(5,642,000)	(5,485,456)	156,544	
Surplus From Collection Fund	(75,000)	(75,000)	0	
Total Funding	(15,877,924)	(15,721,380)	156,544	
(Surplus) / Deficit	(30,440)	220,488	250,928	

Spend Pressures 2020/21
(per November 2019 Cabinet Report)

	£'000
Reduced Benefit admin Grant	25
Recycling – loss of income	150
Increased cost of Temporary Accommodation	750
Private Sector Housing loss of FILT grant to HEART	8
Increased cost of Recoverable Legal Charges (Council Tax)	109
Increased cost of Recoverable Legal Charges (NDR)	11
Increased IT Citrix charges (moving to cloud)	18
Increased cost of Living Wage	11
Reduced Car Park income	15
Reduced rental income at Industrial Estate	6
Reduced income from Health Certificates	1
Borough Elections 2020/21	80
Total Spend Pressures	1,184

Agreed Savings 2020/21
(per November 2019 Cabinet Report)

	£'000
Additional income from planning fees	(200)
Additional income from the Leisure Contract	(55)
Additional Green Waste income	(250)
Additional income from Council House	(400)
Reduced loss of subsidy - Cornerstone Partnership agreement	(182)
Additional rental income from 22 Queens Road	(75)
Additional rental income from former Co-op shops	(54)
Additional Crematorium rental due to lease review	(140)
Savings from new Grounds Maintenance contract	(100)
Saving from George Eliot Centenary – one year only project	(15)
Reduced Non Distributed costs relating to the Council House	(30)
Increased income from properties leased to NABCEL	(50)
Saving from One-off Armed Forces events	(10)
Addition income from use of General Purpose Properties as Temporary Accommodation	(87)
Additional income from Developers for bins – new properties	(20)
Additional income from HEART re contributions to overheads	(15)
Additional Street naming & numbering income	(1)
Additional Playground maintenance contributions from S106 funding	(10)
Reduced Insurance premiums	(3)
Total Savings (Budget Process)	(1,697)
Further Savings/ Increased Income Included	
<u>Efficiency Measures</u>	
Reduction in printing and postage costs	(7)
New Health & Safety compliance management software.	(2)
<u>Ceasing Services</u>	
Civic Exchange - remove budget	(2)
Reduce support for Nuneaton and Bedworth Sports Forum Annual Awards Ceremony / Dinner.	(1)
<u>Income Generation</u>	
Rent review of coffee shop lease due for March 2020	-
Rent review of WCC Registrar lease due for March 2020	(2)
Introduce charging for Personal Searches	(4)

	£'000
New Planning Fee for large house extensions requiring Prior Approval.	(5)
Review of fees for monitoring s106 obligations.	(3)
Increase Immigration Property Inspection fees from £70 to £120	(1)
Introduction of Selective Licensing for private rented properties.	(10)
An increase in license fees of 5% for hackney carriage/private hire drivers, private hire operators, and scrap metal sites/collectors.	(5)
Use of General Fund property for temporary accommodation	(12)
<u>Staffing Restructures</u>	
Communities Restructure - remove Service manager role and redistribute responsibilities	(5)
<u>Other net savings</u>	
Members Expenses – minor miscellaneous savings	(8)
Corporate Management - consultancy budget	(10)
Total Other Savings	(77)
Total All Savings (November Report)	(1,774)

General Fund Budget 2020/21

	Original Budget 2019/20	Original Budget 2020/21
	£	£
Arts, Leisure and Economic Development	5,630,360	5,493,750
Central Services and Refuse	4,765,440	4,930,660
Finance and Civic Affairs	3,606,680	3,905,020
Housing, Health and Communities	1,494,820	1,459,430
Planning and Development	(260,000)	(497,830)
Portfolio Total	15,237,300	15,291,030
Central Provisions	334,500	334,500
Depreciation and Impairment	(3,092,280)	(3,117,950)
Transfers To/ (From) Corporate Reserves	231,074	(2,216,783)
Financing of Capital Expenditure	2,617,720	5,028,520
PWLB Premiums	21,120	21,120
Interest and Investment Income	(361,850)	(199,030)
Minimum Revenue Provision	415,400	481,630
Debt Interest	444,500	563,290
Total Council Net Expenditure	15,847,484	16,186,327
Funded by:		
Net Retained Business Rates	(5,642,000)	(5,413,670)
New Homes Bonus	(1,360,400)	(1,621,983)
Deficit/ (Surplus) from Collection Fund	(75,000)	(150,820)
Transfer to General Fund Reserves	30,440	168,604
COUNCIL TAX REQUIREMENT	8,800,524	9,168,458

General Fund Capital Programme

	2019/20			2020/21
	Latest Capital Programme £	Predicted Spend (Updated Capital Programme) £	Amounts to re-profile to 2020/21 £	Project Budget (including re-profiled amounts from 2019/20) £
<u>Arts, Leisure & Economic Development</u>				
Miners Welfare Park Environment Improvements. & Green Gym	12,300	-	-	-
Haunchwood Pavilion	5,000	-	5,000	5,000
Pingles Electronic Timing Equipment	50,000	50,000	-	-
Pauls Land Pavilion	10,500	-	10,500	10,500
Sandon Park/Jack Whetstone Pavilion	42,770	14,500	23,270	23,270
Cycle Storage - Miners Welfare Park	10,000	10,000	-	-
Target Hardening	100,000	-	100,000	100,000
Kersley Community Centre Car Park Improvements	25,000	25,000	-	-
Replacement Cemeteries Software System	34,900	34,900	-	-
Tree Management Software	7,750	7,750	-	-
Pingles Athletics Stadium - Upgrading Floodlights	-	24,630	-	-
Preliminary Works - Riversley Park Bridge	-	-	-	40,000
Pingles - Running Track Replacement	-	-	-	104,570
Tennis Courts - Miners Welfare Park	-	-	-	202,500
Leisure Strategy	-	-	-	1,160,000
<u>Central Services & Refuse</u>				
ICT Strategy Programme	100,000	100,000	-	125,000
Major Repairs	250,000	242,610	-	250,000
Vehicle & Plant Replacement	598,900	100,000	498,000	868,000
Council Chamber - Audio/Visual System	11,000	11,000	-	-
Waste Management - In Cab Technology	5,100	5,100	-	-

	2019/20			2020/21
	Latest Capital Programme £	Predicted Spend (Updated Capital Programme) £	Amounts to re-profile to 2020/21 £	Project Budget (including re-profiled amounts from 2019/20) £
Sub-Regional Materials Recycling Facility	3,396,000	-	3,396,000	3,396,000
Civica APP (Flare)	76,220	76,220	-	-
Print Room Equipment	48,440	48,440	-	-
<u>Finance & Civic Affairs</u>				
Camp Hill - Early final phase	3,569,235	1,200,000	2,369,235	2,369,235
Purchase of Investment Properties (incl properties to lease)	3,460,000	1,000,000	2,460,000	3,460,000
Revenue & Benefits - System Enhancement & Rationalisation	84,200	84,200	-	-
Adjustment to Council's Property Portfolio	317,500	317,500	-	-
Bedworth Market Improvements	27,720	27,720	-	-
Chilvers Coton Craft Centre	5,500	-	-	-
<u>Housing, Health & Communities</u>				
HEART	7,634,300	6,000,000	1,634,300	6,150,600
Empty Homes & Works in Default	40,000	-	-	40,000
Empty Property Loans	100,000	10,000	-	100,000
Mobile Home Sites	300,000	400,000	-	212,100
Conversion of Council House	2,100,000	1,310,000	790,000	790,000
<u>Planning & Development</u>				
Replacement CCTV Cameras	9,700	-	9,700	9,700
Jodrell Street - Unadopted Road	17,100	-	-	-
Bermuda Connectivity Project	413,390	413,390	-	-
CCTV - Wireless Technology	120,000	-	120,000	120,000
Miscellaneous Schemes	60,400	-	-	100,000
Total Capital Programme	23,042,925	11,512,960	11,416,005	19,636,475

	2019/20			2020/21
	Latest Capital Programme £	Predicted Spend (Updated Capital Programme) £	Amounts to re- profile to 2020/21 £	Project Budget (including re-profiled amounts from 2019/20) £
Financed by:				
Capital Receipts	4,929,235	2,450,000	2,579,235	2,826,335
Earmarked Reserves	3,140,787	1,179,080	1,898,950	5,028,520
Grants & External Contributions	8,393,153	6,490,130	1,751,820	6,595,620
Prudential Borrowing	6,579,750	1,393,750	5,186,000	5,186,000
Total	23,042,925	11,512,960	11,416,005	19,636,475

CABINET

Report Summary Sheet

Date:	12th February 2020
Subject:	Housing Revenue Account Budget and Capital Programme – 2020/21
Portfolio:	Finance and Civic Affairs – Cllr J Jackson and Housing and Communities – Cllr C. Watkins
From:	Executive Director – Resources and Director – Housing, Communities and Economic Development

<p>Summary:</p> <p>To present the Housing Revenue Account (HRA) budget for 2020/21, including the recommended changes in rents and the options for increases to fees and charges.</p> <p>The forecast outturn for the HRA for 2019/20 is also included as part of the report, along with the HRA Capital Programme updates for 2019/20 and the proposed capital budget for 2020/21.</p>
<p>Recommendations:</p> <p>2.1 That the forecast outturn for 2019/20 be noted and revised capital programme for 2019/20 of £18.485m be recommended to Council;</p> <p>2.2 That virements of £500k are approved for 2019/20</p> <p>2.3 That the draft HRA Capital programme for 2020/21 of £26.302m be approved and recommended to Council, as shown at Appendix C;</p>

- 2.4 That an increase in HRA dwelling rents for 2020/21 of 2.7% be approved in line with Government policy of CPI + 1%;
- 2.5 That Homeless Hostel rents be increased by 2.7% in line with the general dwellings rent increase;
- 2.6 That an increase of 2.7% for 2020/21 in line with CPI + 1% for other HRA fees and charges as set out in section 4.11 be approved;
- 2.7 That the 2020/21 draft HRA Revenue budget, including the rent changes above, be recommended to Council for approval;
- 2.8 That delegated authority be given to the Executive Directors to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme for the General Fund;
- 2.9 Due to the timescales involved with setting the HRA budget and rents for 2020/21 this report not be subject to the call-in procedures as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.

Options: To accept the recommendations;
To not accept the recommendations and request amendments to the draft budgets.

Reasons: To set a sustainable budget for the HRA for 2020/21 and associated capital programme and to demonstrate long term sustainability through the business plan

Consultation undertaken with Members/Officers/Stakeholders

Portfolio Holder – Housing and Communities
Leader of the Council

Subject to call-in: No

Corporate Priorities: Theme 1: Priorities 1 and 3
Theme 2: Priorities 1,2 and 3
Theme 3: Priorities 1, 2, 3 and 6

Relevant statutes or policy:
Housing Act 1985
Localism Act 2011
Housing Revenue Account Business Plan 2012 – 2042
Local Government Finance Act 1992 and Local Government Act 2003
Welfare Reform and Work Act
Housing and Planning Act 2016

<p>Equalities Implications:</p> <p>None</p>
<p>Human resources implications:</p> <p>Employee costs are a significant part of the HRA budget and the Management of Change policy will apply to any employees affected by budgetary decisions.</p>
<p>Financial implications:</p> <p>The report outlines the financial position of the HRA for 2019/20 and 2020/21 along with the Capital spend requirements for 2020/21.</p> <p>The HRA business plan identifies the longer-term financial viability of the HRA and although HRA balances increase in the short term, there are significant issues in the medium term and the actions that have been taken and those approved as part of this report will ensure that balances do not fall below the minimum working balance for the full term of the business plan.</p>
<p>Health Inequalities Implications:</p> <p>Homes that are well maintained, safe, warm and affordable are significant contributory factors to improved health and wellbeing.</p>
<p>Section 17 Crime & Disorder Implications:</p> <p>The installation of new doors, windows and where appropriate, door entry systems improves the safety of homes and reduces the risk of theft from the home.</p>
<p>Risk management implications:</p> <p>All budgetary decisions will need to be risk assessed to ensure they are achievable and to be fully aware of any implications.</p>
<p>Environmental implications:</p> <p>The installation of new boilers, windows and doors improves the thermal efficiency of homes and reduces carbon emissions</p>
<p>Legal implications:</p> <p>The Council is required by law to maintain a ring fenced Housing Revenue Account and maintain a minimum operating balance. The budget should be risk assessed and sustainable in the long term.</p>

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NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 12th February 2020

From: Executive Director – Resources and Director – Housing, Communities and Economic Development

Subject: Housing Revenue Account Budget and Capital Programme
– 2020/21

Portfolio: Finance and Civic Affairs (Cllr J Jackson) and Housing and Communities (Cllr C Watkins)

Delivering Our Future Themes: 1, 2 & 3

Delivering Our Future Priorities: 1.1, 1.3, 2.1, 2.2, 2.3, 3.1, 3.2, 3.3 & 3.6

1. Purpose of Report

- 1.1. To update Cabinet on the 2019/20 forecast outturn for the Housing Revenue Account budget.
- 1.2. To present the proposed 2020/21 Housing Revenue Account revenue budget to Cabinet for approval, prior to submission to Council.
- 1.3. To present the updated Capital Programme and financing for 2019/20 and 2020/21 for approval prior to submission to Council.

2. Recommendations

- 2.1 That the forecast outturn for 2019/20 be noted and revised capital programme for 2019/20 of £18.485m be recommended to Council.
- 2.2 That a virement of £500k is approved for 2019/20 from earmarked reserves to the Independent Living Service within Supervision and Management to fund the increased costs for fire risk surveys and security
- 2.3 That the draft HRA Capital programme for 2020/21 of £26.302m be approved and recommended to Council, as shown at Appendix C
- 2.4 That an increase in HRA dwelling rents for 2020/21 of 2.7% be approved in line with Government policy of CPI + 1%;
- 2.5 That Homeless Hostel rents be increased by 2.7% in line with the general dwellings rent increase;
- 2.6 That an increase of 2.7% for 2020/21 in line with CPI + 1% for other HRA fees and charges as set out in section 4.11 be approved;

- 2.7 That the 2020/21 draft HRA Revenue budget, including the rent and fee changes above, be recommended to Council for approval;
- 2.8 That delegated authority be given to the Executive Directors to carry out procurement exercises in accordance with the Council's Contract Procedure Rules in order to deliver the capital programme for the General Fund
- 2.9 Due to the timescales involved with setting the HRA budget and rents for 2020/21 this report not be subject to the call-in procedures as provided for in paragraph 15(f) of the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution.

3. 2019/20 Forecast Outturn

3.1 The budget for the Housing Revenue Account Revenue was approved in February 2019 and showed a deficit of £5.860m, primarily due to an increased capital programme funded in part from revenue resources. The forecast outturn for the year is anticipated to be a deficit of £5.876m, an increased deficit of £16k compared to the original budget.

3.2 The main variances for the year are shown in the table below:

Variance	£'000
Supervision & Management	
Salary savings across service (net of agency costs)	(29)
Increased costs from insurance claims and valuations of properties for Right to Buy applications	43
Reduced costs of consultancy	(43)
Additional costs within Independent Living for fire risk surveys and security services offset by..	500
Contribution from earmarked reserves (<i>virement requested</i>)	(500)
Other minor variances	2
Repairs & Maintenance	
Net savings across Repairs and Maintenance, due to reduced staffing and agency costs	(90)
Service delivery savings relating to out of hours call out	(10)
Reduced costs of disposal, transport and materials	(98)
Increase works undertaken on dwellings and asbestos management including works undertaken by external contractors due to vacancies	266
Income	
Loss of rental income due to 1.26% rent reduction of £59k, mitigated in part by better than budgeted opening stock position and level of right to buy sales slow in the first few quarters therefore generating additional rent income.	24
Increased hostels & temporary accommodation income	(36)
Reduced income from garages	55

Variance	£'000
Increased recovery of service charges and rechargeable repair works	(35)
Increased investment income	(4)
Other	
Savings across support service functions (including finance and contact centre)	(29)
Total Net Variance	16

3.3 As detailed at 4.8 of the Housing Revenue Budget and Capital Programme report of 13th February 2019, there were 53 Mondays in the financial year 2019/20. This would normally mean that the HRA receives an extra weeks rent in years when this occurs. However, Universal Credit legislation does not allow for 53 Mondays in one financial year, meaning that, as at 13th February 2019, it remained unclear whether the Department of Work and Pensions would take measures to remove this issue. Unfortunately, no remedial action was taken. Given that the 1% decrease must be applied on an annual rental basis, the effect of the 53 Mondays in a financial year meant that a rent decrease equating to 1.26% came into effect. This resulted in a loss of income totalling £59k

3.4 Following the completion of initial additional high detail fire risk assessments, it was decided to suspend the 'Stay Put' policy in some Independent Living Schemes whilst further investigations and works were undertaken. Given the change to the policy, Security services have been employed to assist tenants to evacuate safely, outside of normal working hours. The cost of the surveys, works and security services amount to £500k. A virement from HRA general earmarked reserves will be required to finance this.

4 Draft Housing Revenue Account Budget Position 2020/21

4.1 The draft base budget for 2020/21 shows a deficit of £288k. A summary of the HRA draft budget is shown at Appendix A. This includes a revenue contribution to capital of £1.793m and implications of borrowing £8.50m to finance a capital programme totalling £26.302m. Further information on the capital programme is shown at Section 5 and Appendix C.

4.2 On the basis of a revised deficit forecast of approximately £5.877m in 2019/20, the HRA balance at the end of the 2020/21 will decrease to £6.292m, which is still above the minimum working balance and is used to support the Business Plan over the longer term.

4.3 In October 2019, Government announced that the Public Works Loan Board (PWL) interest rate would increase by 1%, from 1st November 2019. Based upon the borrowing taken out in 2012, to finance the move to self-financing, the 1% interest rate rise has increased the cost of borrowing on last year's business plan by around £12m therefore requiring a full review of the acquisition and new build programme over the life of the business plan and associated cost of borrowing.

- 4.4 The development and acquisition of new properties to add to our existing stock has been a priority of the Council for some years. Following some years of uncertainty relating to the proposed High Value Voids Policy and the 1% rent decrease policy, the ability to significantly invest in new stock was somewhat limited. During 2018, announcements removing the High Value Voids policy and the HRA borrowing cap gave cause for cautious optimism and the Business Plan was re-cast to include additional investment in new housing stock. However, the PWLB interest rate increase of 1% on new debt, the 1.26% rent decrease for the financial year 2019/20 and the continued high levels of Right to Buys, have reduced the Council's ability to invest as significantly as it would wish in new stock.
- 4.5 A potential mitigation of the increased borrowing costs is to utilise the Municipal Bond Agency (MBA) for new borrowing which is likely to offer lower interest rates than current PWLB rates. The MBA is a Local Government Funding Agency that was established, primarily to reduce councils' long term financing costs. There is however, no guarantee that access to loans from the MBA will be granted, as they will perform their own assessment of creditworthiness. Therefore the business plan assumes all borrowing will be PWLB. Officers will investigate the MBA option further during the coming year.
- 4.6 To partially mitigate the losses we are experiencing from Right to Buy, the business plan has assumed a borrowing need of £26.5m over the life of the plan (of which £8.5m is in year one) which will allow the Council to deliver additional new homes. There are still risks to the Business Plan and these are discussed further at section 6 and 7.
- 4.7 A robust review of risks facing the HRA, linked to the level of reserves required, is included at section 6 of this report.
- 4.8 The draft HRA budget for 2020/21 includes the following assumptions:
- Pay award estimated at 2.75% pending conclusion of national pay negotiations
 - Price inflation only where unavoidable e.g. utilities and contracts
 - Decrease in employer's superannuation contributions per the 2020 triennial valuation
 - 1.5% vacancy saving
 - Treasury budgets in line with latest interest rate forecasts
 - A rent increase based on 2.7% in line with Government policy
 - Increased borrowing of £8.5m to assist in the funding of the new build and acquisition programme.
- 4.9 It is anticipated that garage rental income will continue to decrease as the numbers are reduced on those sites identified for new build homes. Whilst the new build and acquisition programme will mitigate some of the losses via the Right to Buy, these will take some time to come on stream, resulting in a net loss of income in year one. Additional funding has been included to deal with ongoing fire safety works issues.

4.10 Negotiations on the pay offer for 2020/21 is still ongoing, having been delayed during the General Election. The claim from the Trade Unions is *'real living wage' of £10 per hour on NJC SCP1 and a 10% increase on all other NJC / GLPC pay points'* but this has not been accepted by the National Employers association. Further negotiation meetings with the Trade Unions are planned for early February. The Council has budgeted 2.75% for 2020/21 on the basis that the headline pay award for 2018-20 was 2% but the average was actually 2.8% as there was higher increases for lower scales.

4.11 A triennial revaluation of the Warwickshire Local Government Pension Scheme was undertaken in 2019 by the scheme's actuary. This has led to a reduction in pension contributions for 2020/21 and has generated a saving of approximately £50k for the Housing Revenue Account in 2020/21 compared to original budget predictions. The change in valuation shows an increase in investment returns of £40m on opening assets - this was better than expected and will be a one off gain due to the Brexit vote and impact on value of the pound in some of the Fund's investments. The fund's strategy is to be fully funded within a 19 year timeframe and there is a 75% probability of this being achieved even if employer contributions are reduced over the coming 3 years.

4.12 Other significant changes included in the draft budget for 2020/21 include:

- An increase of 2.7% on garage rents (based on September CPI plus 1%) is proposed, which generates additional income of approximately £9k. This will raise the weekly charge by 19p to £7.32.
- An increase in Homeless Hostel rents of £2.7%. This will raise the nightly charge by 0.95p. A large proportion of tenants in the hostel are able to claim Housing Benefit or Universal Credit.
- An increase of 2.7 % in other Fees and Charges is proposed. This includes Independent Living charges, Visitor Accommodation for Independent Living, external administration charges and other minor charges. This raises additional income in total of £28k.

4.13 As detailed at 4.11 of the Housing Revenue Budget and Capital Programme report of 13th February 2019, the Government had previously announced that with effect from 1st April 2020, supported housing will be subject to the cap of housing benefit payable to that of the Local Housing Allowance level. However, as rent for sheltered accommodation is inevitably higher due to additional needs, the government proposed the introduction of a 'Sheltered Rent' to fund sheltered housing that would be eligible for housing benefit and the housing element of universal credit. Due to the identified complexities of the proposals, this scheme will no longer be implemented and therefore, no assumptions are required within the business plan.

4.14 'Full service' Universal Credit was rolled-out in Nuneaton and Bedworth in October 2017. As part of Universal Credit, Benefit is paid directly to tenants, rather than straight to their rent account and this creates increased risk to the HRA from increasing rent arrears. As at 31st December 2019 there were approximately 1785 customers on Universal Credit (still a fairly small proportion of our stock) with total arrears standing at £379k – 33% of total arrears. This is an increase of 5% on the previous year. An increase in the bad debt provision budget was included in the Business Plan from 2018/19, but this continues to represent increased risk which is included in the risk analysis.

5 Housing Revenue Account Capital Programme

5.1 Appendix C details the current capital programme and the forecast outturn for 2019/20. The 2020/21 proposed HRA capital programme is also shown at Appendix C and totals £26.30m and includes £5.5m of slippage re-profiled from 2019/20 to complete the current phase of the new build programme.

5.2 The 2019/20 forecast outturn is £18.49m against an approved budget of £26.06m. This is largely due to delays in the New Build programme, where difficulties have been experienced with the Highways Department at Warwickshire County Council and the Environment Agency. Additionally, a decision was made to suspend full roll out of conversion works to difficult to let properties, to ensure new designs could be tested with customers and that any works would remain fit for purpose for the future.

5.3 The Capital programme for 2019/20 detailed an increased spend for fire safety works following the Grenfell tragedy. Additional surveys and works have been undertaken in 2019/20 and the surveys have identified additional works to ensure the continued safety of tenants in both Independent Living Schemes and General Purpose flats. It is proposed that £2.25m is invested to ensure that all high priority works are completed within the financial year.

5.4 Since the introduction of self-financing the capital investment in our stock has increased significantly, in addition to investment in new build properties. There is a capital budget totalling £13.62m in 2020/21 to allow for further new build properties as well as acquisitions of properties on the open market.

5.5 The specific sources of funding for the capital programme for 2020/21 are given in the table below:

	2020/21 £'000
Major Repairs Reserve	12,699
Earmarked Reserves/ Direct revenue financing	1,793
Capital receipts	1,810
Capital Grants Funding (Homes England)	1,500
Borrowing	8,500
Total	26,302

- 5.6 Within the HRA, a reserve has been created to reflect the requirement to replace building components as they wear out; this is called the Major Repairs Reserve (MRR). The business plan established a MRR based on the investment requirements identified via the ongoing stock validation exercises and the funding available, including revenue contributions and capital receipts. Capital receipts arise mainly from “right to buy” sales of Council homes, which have exceeded ours and Government expectations allowing us to retain a higher proportion of the gross receipt. Earmarked reserves are specific reserves that have been set aside to finance projects in future years and direct revenue financing to capital outlay is money taken from the revenue account and used to fund capital works on a direct “pound for pound” basis.
- 5.7 The Capital Programme each year is determined based on current stock condition information and need. Explanations for the major projects are given below:
- Decent Homes - This budget reflects both the contractual obligation with partner contractors and the wish to continue to maintain the decent homes standard and respond to tenant requirements. Works carried out under this budget include kitchen and bathroom upgrades as well as re-wiring to ensure the continued safety of our homes.
 - Central Heating Upgrades - This reflects the continuation of an increased investment to accelerate the numbers of homes with efficient, cost effective heating systems.
 - District Heating Boilers – The boilers servicing our district heating schemes (largely Independent Living Complexes) require replacement in line with individual dwelling boiler upgrades. This budget represents the commencement of a 6 year programme to carry out replacements / upgrades.
 - Fire Safety Works - Whilst the Council does not own any ‘tower blocks’, it continues to be committed to ensuring that its stock meets all fire risk management legislation. As mentioned at 5.3, this budget reflects increased investment to accelerate works to the on-going fire safety programme, including the prioritisation of all high priority items identified from specialised surveys.
 - New Build and Acquisitions – There continues to be high demand upon our housing stock, partially arising from the increased levels of homelessness. This is exacerbated by the loss of stock from the Right to Buy scheme with stock losses of around 50 per year. Additionally, affordable housing stock is being lost via Housing Association accommodation where relevant organisations have instigated the Voluntary Right to Buy (VRTB) scheme. This budget provides for the continuation of new build homes for rent within the HRA, along with the acquisition of existing homes to accelerate the delivery of homes available for those in housing need.
 - Structural and Cladding – This budget demonstrates the continued commitment to improve the thermal efficiency of our homes. This is of particular relevance for those properties of a non-traditional construction, such as concrete panels and wooden frames. Improving the insulation reduces energy consumption, making them more

affordable to heat and also contributes to the reduction of carbon emissions.

- Feasibility Works – To ensure that the Council’s housing stock continues to meet current and future demand, it is proposed to carry out feasibility works to identify any stock that would benefit from large scale re-modelling. The feasibility findings will be used to inform options and future capital spend requirements, subject to Cabinet approval.

6 Risk Assessment

- 6.1 The overall level of reserves held should be linked to the likely financial risks facing the HRA. The level of reserves is reviewed annually for the General Fund and it is important that the risks facing the HRA are considered in the same manner. The table below identifies the individual risk factors and also demonstrates what reserve should be held to mitigate the risk.

Risk Area	Cost Implications	Mitigation	Impact	Likely-hood	Reserve cover needed	
						£'000
The extension of Welfare reform changes, roll-out of full service Universal Credit resulting in rising rent arrears.	Approx 70% of HRA tenants are in receipt of some level of housing benefit. The introduction of direct payments or the restriction of benefits for young people could result in arrears rising significantly.	Close and proactive work with tenants on budgeting and debt advice. The Financial Inclusion team provide a comprehensive debt service and Housing officer's work with tenants to meet demand where possible to move to smaller properties. A Lean Review of support and advice given to tenants is scheduled to completed in early 2020, with a view to increasing tenants' capacity to manage finances and reduce levels of rent arrears. Applications for Discretionary housing payments are actively encouraged for any tenant experiencing hardship.	High	Medium	Approx 70% of rental income comes from Housing Benefit – around £16m. A 5% reduction would equate to £800k. Additional Bad Debt Provision has been built into the Business Plan but it is suggested that a risk-based reserve of £600k should be maintained as well. This will need to be kept under constant review.	600
Local economy failing to improve resulting in higher demand for services and increasing rent arrears.	The HRA receives income from tenants and from commercial rents. The level of bad debts could increase if the local economic	Active marketing of any void commercial properties and development of a council wide economic development strategy. Regular monitoring and reporting of	Medium	Medium	Each additional 1% of rent arrears from commercial and non-dwelling properties equates to £40k	80

Risk Area	Cost Implications	Mitigation	Impact	Likely-hood	Reserve cover needed	
						£'000
	conditions do not improve.	income levels during the year.				
Increased Right to Buys leading to reduced rental income	Increased discounts available on RTB's may encourage greater uptake resulting in rental income loss. Each property generates approximately £4k rental income per annum.	An allowance has been built into the budget to allow for an increase in the number of RTB's from 2016/17 – this will be kept under review throughout the year and any significant fluctuations in rental income monitored.	Medium	High	Currently forecasting 50 RTB's in early years of the Business Plan. Each additional will result in loss of income of around £4k per year. An extra 10 a year would be £40k. However, each RTB also reduces repairs and maintenance liability, capital costs, and generates a capital receipt that can be used to reduce RCCO or increase investment. Therefore no specific reserve holding is recommended.	N/A
Right to buys higher than budgeted, generating excessive 1 for 1 replacement receipts.	Above a certain threshold preset by Government, each right to buy receipt generates a 1 for 1 replacement receipt which is retained to part finance increased social housing provision. However, the	This represents a significant risk as 70% of the costs of providing an additional property must be identified from within existing HRA resources. The 1 for 1 retained replacement receipt must be utilised within 3 years, or it has to be paid back with interest to central Government.	Medium	Medium	No additional reserve is needed as the mitigation is a Capital Programme in place to ensure that spend is achieved within the 3-years.	N/A

Risk Area	Cost Implications	Mitigation	Impact	Likely-hood	Reserve cover needed	
						£'000
	retained 1 for 1 receipt only finances 30% of the average costs of providing an additional dwelling.					
Higher void levels reducing rental income	Void turnaround time will be monitored closely to avoid rent loss.	Void loss of £460k has already been built into the budget. Increased focus has been undertaken in this area, with the aim of reducing the void turn-around times and reducing the number of difficult to lets in Independent Living stock.	Medium	Medium	Each 0.5% increase in void levels - £120k	120
Unbudgeted expenditure /overspend	Not quantified	Effective and accurate budgetary control to identify variances at an early stage.	Medium	Medium	1% of gross budget – approx. £300k	300
Inflation higher than budgeted	Various	Draft budgets based on experience and information available. Only contractual increases have been included in the draft budget.	Medium	Low	Each 1% increase in the pay award - £50k Each 1% in non-pay budgets – £90k This is already included in 1% figure above, so no specific separate reserve cover is needed, as risk would be covered under the minimum working balance.	N/A

Risk Area	Cost Implications	Mitigation	Impact	Likely-hood	Reserve cover needed	
						£'000
Unforeseen emergencies e.g. bad weather, change in Government policy	Not quantified	Mitigated by effective business continuity planning.	Medium	High	GF insurance fund and HRA Minimum working balance	N/A
Brexit – potential for increased materials costs both for reactive and capital works.	Not quantified.	On-going dialogue with suppliers	Medium	High	Given the level of continued uncertainty around the details of Brexit post 31.01.20, it is prudent to allow for some increased materials costs at 1% of spend.	200
Total Reserve Cover needed for 'risk management						1,300

6.2 The 2020/21 budget and the Business Plan are based on a number of assumptions, many of which are based on factors outside of our control. The total reserve cover shown in the table above is the amount recommended to be held as a financial planning contingency. This is in addition to the minimum working balance of £1.3m. This means that the HRA must have a total reserve/minimum working balance of £2.6m to ensure it can mitigate the significant risks it faces for the duration of the business plan.

7 HRA Business Plan - update

7.1 Since April 2012, the HRA has been operating under the self-financing system, and the financial plan element of the business plan is updated annually to ensure that it remains viable and is financially sustainable in the longer term. The Business Plan contains a number of mandatory elements to support and demonstrate this including details on the condition of its housing stock and other HRA assets such as garages and shops and the approach to associated investment requirements needed to maintain them. The Plan is also required to set out how future rent changes will be dealt with, as well as identifying areas where efficiency savings may be realised in order to support the future viability of the HRA.

7.2 During 2018, it was announced that the High Value Voids proposal would not be implemented and the Borrowing Cap for the HRA was removed. The Business Plan presented on 13th February 2019 reflected those changes. The Plan maximised the resources available to an increased capital programme, whilst also ensuring that borrowing costs are affordable over the longer term. The Business Plan included new units

across the 30-years of the Plan, which is a combination of acquisitions and new build development. However, the effect of the PWLB increase, 1.26% rent reduction and the continued high level of stock losses via the RTB has required a further re-cast of the business plan to identify the viability to build or acquire higher levels of stock in earlier years of the Business Plan. This is to maximise the mitigation of losses via the RTB as quickly as possible. The availability of HRA-owned land is also a major factor when considering the scale of development that can be achieved, as well as planning and procurement timescales and so the Business Plan has made realistic assumptions about deliverability.

- 7.3 Acquisitions will be an important route to increasing the housing stock, especially given the lack of developable land within the HRA. It should however be noted that piecemeal single acquisitions are difficult to secure at a viable cost, time-consuming in terms of identification, inspection and negotiation and, do not deliver the volumes that are required. It is therefore important to pursue the potential acquisition of larger numbers of homes via Section 106 Affordable Housing planning requirements associated with larger scale developments. This approach offers another set of barriers, in that most large scale developers have established partnerships with local and regional Registered Providers (formerly known as Housing Associations). It is likely that to break into this approach, we would be in direct competition with Registered Providers (RP's) which could impact on cost and ultimately, our ability to match RP offers. That being said, work is actively underway to engage developers in order to identify opportunities at the earliest opportunity as well as identifying whether changes to approach may be acceptable to increase the Council's ability to acquire stock via the Section 106 process.
- 7.4 The deliverability of the new build homes via the use of Modern Methods of Construction (MMC) was championed by the Council and Homes England. Following a successful pilot scheme, the Council has tendered and put in place frameworks to speed up the delivery of MMC homes and the associated groundworks.
- 7.5 Unfortunately, despite extensive modelling, the additions to the stock of 1,240 dwellings over the 30 year plan does not replace our assumed losses from Right to Buy of 1,500. Despite the debt cap being removed, the cost of borrowing to finance additional stock in excess of these levels would render the HRA unviable at the end of the 30 years. The plan assumes that an additional £26.5m of borrowing will be taken over the life of the plan to assist with the funding of new build and acquisitions. This would take debt levels to £99.5m by 2029/30 with no further borrowing need after that year based on current interest rate forecasts and HRA viability. To increase debt levels further would result in HRA deficits which could not be sustainable.
- 7.6 There is wide recognition and support for a continued new build and acquisition programme in order to deliver more affordable homes in the borough. Whilst this is a priority requirement, there continue to be issues within the existing stock that must be investigated and addressed as appropriate. There are homes that suffer from poor design and which also require significant ongoing maintenance due to their construction type.

The provision for large scale feasibility studies reflects the need to identify any properties or groups of properties that would benefit from re-modelling / regeneration, in order to ensure they deliver fit for purpose dwellings and overall living environments. The business plan must continue to provide for a balance between delivering new housing stock and continued investment in existing homes and the surrounding built environment.

- 7.7 The Plan remains viable over the 30 years and Appendix B shows a graph indicating balances over the life of the current business plan.

8 Conclusion

- 8.1 This report presents a sustainable budget and reserves position for 2020/21 and for the life of the Business Plan. The Council plans to use its new borrowing flexibility to increase the number of homes added to its stock whilst balancing affordability and investment in existing stock.
- 8.2 The risks to the HRA are being managed through its risk reserve/minimum working balance of £2.6m which also includes the provision for all the risks identified above. This level of reserves will be reviewed year on year in line with the budget and business planning process, to ensure it remains adequate, and a further update will be included as part of the next Business plan review.
- 8.3 The 30 year financial plan will continue to be refreshed each year to assess how best the Council can maintain its existing stock and seek to increase new build and acquisitions, whilst still ensuring the viability of the HRA in the long term.

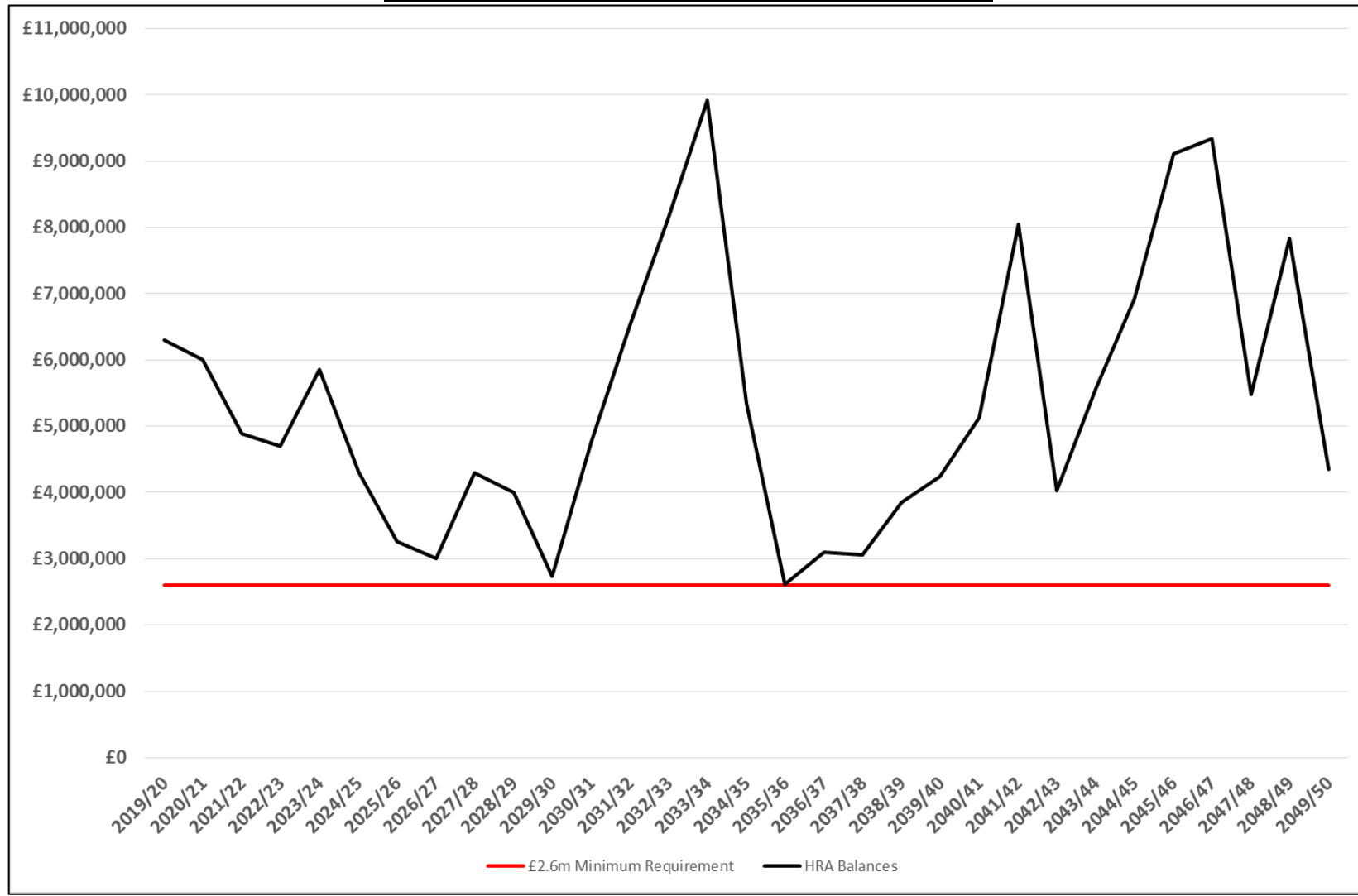
Simone Hines
Dawn Dawson

Appendix A

Draft Housing Revenue Account Budget

	ACTUAL 2018/19 £000	CURRENT BUDGET 2019/20 £000	FORECAST OUTTURN 2019/20 £000	PROPOSED BUDGET 2020/21 £000
Balance Brought Forward	(11,863)	(12,169)	(12,169)	(6,292)
<u>Income</u>				
Dwelling rents	(22,724)	(23,025)	(23,037)	(23,037)
Non-dwelling rents	(571)	(630)	(575)	(589)
Charges for services and facilities	(2,014)	(1,948)	(1,983)	(1,976)
Interest Receivable	(103)	(72)	(76)	(47)
TOTAL INCOME	(25,412)	(25,675)	(25,671)	(25,649)
<u>Expenditure</u>				
Repairs & maintenance	5,608	5,253	5,323	5,135
General management	4,375	5,070	5,008	5,261
Special services	2,911	3,169	3,674	3,549
Capital financing	630	9,771	9,771	1,793
Debt Interest costs	2,101	2,188	2,188	2,397
Depreciation	7,991	8,000	8,000	8,461
TOTAL EXPENDITURE	23,616	33,451	33,964	26,596
<u>Adjustments</u>				
Debt Repayments	1,000	-	-	-
Earmarked Reserves	490	(1,916)	(2,416)	(659)
TOTAL ADJUSTMENTS	1,490	(1,916)	(2,416)	(659)
(SURPLUS)/ DEFICIT	(306)	5,860	5,877	288
Balance Carried Forward	(12,169)	(6,309)	(6,292)	(6,004)

HRA 30 year Business Plan – Balances Forecast



Draft HRA Capital Programme

	2019/20			2020/21
	Latest Capital Programme	Predicted Spend (Updated Capital Programme)	Amounts to re- profile to 2020/21	Project Budget (including re-profiled amounts from 2019/20)
	£	£	£	£
Acquisition & New Build	10,264,620	4,729,000	5,535,620	13,622,620
Aids & Adaptations	400,000	400,000	-	500,000
Central Heating	1,000,000	1,000,000	-	1,000,000
Decent Homes	2,500,000	2,500,000	-	2,500,000
District Heating - Smart Meters	353,220	353,220	-	-
District Heating Boilers	200,000	200,000	-	200,000
District Heating Works	50,000	50,000	-	50,000
Door Entry System	110,000	110,000	-	50,000
Environmental Works	115,000	115,000	-	25,000
Fire Damaged Properties	30,000	30,000	-	-
Fire Risk Assessments (General Purpose)	-	-	-	300,000
Fire Safety Works	870,000	870,000	-	2,250,000
Garages	50,000	50,000	-	25,000
Housing Management System	435,900	435,900	-	-
Large Scale Feasibility	250,000	60,000	-	100,000
Level Access Showers	550,000	550,000	-	500,000
Lift Renewal Works	90,000	90,000	-	100,000
PIR Electrical Works	540,000	540,000	-	300,000
Property Conversions	1,910,000	57,000	-	-
Roof Coverings/ Modifications	1,100,000	1,100,000	-	850,000
Shed Door & Roof Renewals	50,000	50,000	-	25,000
Sheltered Alarm Call Systems	750,000	750,000	-	-
Shop Improvements	15,000	15,000	-	15,000
Slabs to Tarmac	200,000	200,000	-	200,000
Structural & Cladding / Concrete Repairs	2,448,000	2,448,000	-	2,000,000
Voids	400,000	400,000	-	450,000
Windows & Doors	850,000	850,000	-	700,000
Capital Salaries	427,210	427,210	-	439,170
Contingency	105,000	105,000	-	100,000
Total Capital Programme	26,063,950	18,485,330	5,535,620	26,301,790

	2019/20			2020/21
	Latest Capital Programme	Predicted Spend (Updated Capital Programme)	Amounts to re-profile to 2020/21	Project Budget (including re-profiled amounts from 2019/20)
	£	£	£	£
Financed by:				
Major Repairs Reserve	8,000,000	8,000,000	-	12,698,620
Earmarked Reserves/ Revenue	12,198,460	7,959,840	2,195,620	1,793,170
Capital Receipts	525,490	525,490	-	1,810,000
Capital Grants/ Contributions	840,000	-	840,000	1,500,000
Borrowing	4,500,000	2,000,000	2,500,000	8,500,000
Total	26,063,950	18,485,330	5,535,620	26,301,790

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date:	12th February 2020
Subject:	Treasury Strategy & Budgetary Framework 2020/21
Portfolio:	Finance & Civic Affairs
From:	Executive Director – Resources

Summary:

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. Regulations also require an Annual Investment Strategy, Treasury Management Strategy and Minimum Revenue Provision (MRP) Policy to be approved.

Recommendations:

That the proposed Treasury Strategy and Budgetary Framework 2020/21, as detailed in **Appendix H**, be agreed and submitted to full Council for approval including:

- Treasury strategy
- Treasury and Prudential Indicators
- MRP Policy Statement
- Capital Strategy
- Capital Resource Allocations

Options:

To accept the report or request further information, having regard to the legal deadlines for setting of budgets.

Reasons:

To comply with regulations and the CIPFA Code of Treasury Management.

Consultation undertaken with Members/Officers/Stakeholders

None

Subject to call-in: No

Ward relevance: All

Forward plan: Yes

Corporate Priorities: Theme 3: Priorities 1, 2 and 3

Relevant statutes or policy:

CIPFA Code of Practice on Treasury Management 2017

Local Government Act 2003

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:

Any investment and borrowing decisions will be based on the approved strategy and with approved counterparties.

Environmental implications:

None

Legal implications:

The CIPFA Code on Treasury Management requires Local Authorities to report to their full Council a forward view of treasury and prudential indicators and an MRP policy statement for approval.

Contact details:

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024 7637 6104

AGENDA ITEM NO. 8.

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to : Cabinet – 12th February 2020

From : Executive Director – Resources

Subject : Treasury Strategy & Budgetary Framework 2020/21

Portfolio : Finance and Civic Affairs (Councillor J Jackson)

Delivering Our Future Theme 3
Priorities 1, 2 and 3

1. Purpose

- 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. Regulations also require an Annual Investment Strategy, Treasury Management Strategy and Minimum Revenue Provision (MRP) Policy to be approved.
- 1.2 Changes in the MHCLG Investment Guidance and the MHCLG Minimum Revenue Provision Guidance require a capital strategy be produced, to provide a longer-term focus to the capital plans, and including greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is included at **Appendix G**

2. Recommendations

- 2.1 That the proposed Treasury Strategy and Budgetary Framework 2020/21, as detailed in **Appendix H**, be agreed and submitted to full Council for approval including:
 - Treasury strategy
 - Treasury and Prudential Indicators
 - MRP Policy Statement
 - Capital Strategy
 - Capital Resource Allocations

- 2.2 That as the recommendations from this report require Council approval on the 17th February 2020, this report be marked not for call-in on the grounds of urgency.

3. Introduction

3.1 Background

The Council is required to operate a balanced 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 risk appetite, providing adequate liquidity initially before considering investment return.

- 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 that the Council 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 any debt previously drawn may be restructured to meet Council risk or cost objectives.

- 3.3 CIPFA defines treasury management as:
"The management of the local authority's 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 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Cabinet.

- 3.5 The three main reports are:
- **Prudential and Treasury Indicators and Treasury Strategy** (This report) - The first, and most important report covers:
 - ♦ the capital plans (including prudential indicators);
 - ♦ a Minimum Revenue Provision 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 investment strategy (the parameters on how investments are to be managed).
 - **A Mid-Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as

necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

- **An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.6 In addition to the three main reports, the Audit & Standards Committee receive regular reports providing information on any treasury activity undertaken, the debt and investment position, performance monitoring information and predicted outturns of key prudential indicators, debt costs and investment income.

3.7 **Capital Strategy:** The CIPFA revised 2017 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

3.8 The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.9 The capital strategy is reported as an appendix to this report. However, non-treasury investments are not part of the core treasury function under security, liquidity and yield principles.

3.10 The capital strategy will show:

- The corporate governance arrangements for these types of activities
- Any service objectives relating to the investments
- The expected income, costs and resulting contribution
- The debt related to the activity and the associated interest costs
- The payback period (MRP policy)
- For non-loan type investments, the cost against the current market value
- The risks associated with each activity

3.11 **Treasury Management Strategy for 2020/21.**

The strategy for 2020/21 covers two main areas:

- **Capital Issues**
 - ♦ The capital plans and the prudential indicators;
 - ♦ The Minimum Revenue Provision (MRP) strategy.
- **Treasury Management Issues**

- ◆ The current treasury position;
- ◆ Treasury indicators which will 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;
- ◆ The policy on the use of external service providers.

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

3.13 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. Training will be scheduled for 2020/21 and will be available for all members.

3.14 The training needs of treasury management officers are periodically reviewed.

3.15 Treasury Management Consultants

The Council uses Link Asset Services as its external treasury management advisors and recognises that responsibility for treasury management decisions remain with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

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

4. The Capital Prudential Indicators 2020/21 – 2022/23

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

4.2 Capital Expenditure.

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. Members are asked to approve the capital expenditure forecasts, which includes the latest budget re-profiling estimates into 2020/21 for schemes slipping from 2019/20:

Capital Expenditure	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Arts, Leisure & Economic Development	0.15	0.17	1.65	-	-
Central Services & Refuse	1.68	0.58	4.64	0.92	0.75
Finance & Civic Affairs	2.40	1.31	2.37	-	-
Housing, Health & Communities	4.03	7.72	7.29	4.66	4.66
Planning & Development	0.05	0.41	0.13	-	-
Misc' Schemes	-	-	0.10	0.10	0.10
Total Non-HRA	8.31	10.19	16.18	5.68	5.51
HRA Capital Programme	9.21	18.49	26.30	21.25	23.48
Total HRA	9.21	18.49	26.30	21.25	23.48
Commercial activities/ non-financial investments *	5.16	1.32	3.46	1.62	1.00
Grand Total	22.68	30.00	45.94	28.55	29.99

* Commercial activities/ non-financial investments relate to areas such as capital expenditure on investment properties.

4.3 Full details of the proposed capital programmes for 2020/21 are included within the General Fund and HRA Budget setting reports on this agenda.

- 4.4 The table below summarises how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing):

Financing of Capital Expenditure	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Receipts	3.57	2.98	4.64	2.60	2.35
Capital Grants	5.21	6.49	8.10	4.66	7.62
Capital Reserves/ Revenue	12.50	17.14	19.51	12.29	11.02
Net financing need for the year	1.40	3.39	13.69	9.00	9.00
<i>Analysed as:</i>					
<i>Non-HRA</i>	-	1.31	4.19	-	-
<i>HRA</i>	-	2.00	8.50	8.00	8.00
<i>Commercial activities/ non-financial investments</i>	1.40	0.08	1.00	1.00	1.00

- 4.5 As part of the new reporting requirements the table below shows the net financing need for commercial activities/ non-financial investments:

Commercial activities/ non-financial investments	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Expenditure	5.16	1.32	3.46	1.62	1.00
Financed from resources	3.76	1.24	2.46	0.62	-
Net Financing need for the year	1.40	0.08	1.00	1.00	1.00
Percentage of total net financing need	100%	2%	7%	11%	11%

- 4.6 **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 underlying borrowing need. Any capital expenditure above, which has not immediately been financed, will increase the CFR.
- 4.7 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.
- 4.8 The CFR also includes any other long term liabilities (e.g. finance leases and Private Finance Initiative (PFI) schemes). Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council does not envisage any such schemes within the CFR.

4.9 The Council is asked to approve the CFR projections below:

Capital Expenditure	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Capital Financing Requirement					
CFR - non housing	10.55	11.56	15.34	14.93	14.44
CFR - housing	76.66	78.66	87.16	95.16	103.16
CFR - commercial activities/ non-financial investments	2.10	2.04	2.97	3.88	4.78
Total CFR	89.31	92.26	105.47	113.97	122.38
<i>Movement in CFR</i>	<i>(0.03)</i>	2.95	13.21	8.50	8.41
Movement in CFR represented by:					
Net financing need for the year (from prev table)	1.40	3.39	13.69	9.00	9.00
GF - Minimum Revenue Provision	(0.43)	(0.44)	(0.48)	(0.50)	(0.59)
HRA - Voluntary Repayment of Debt	(1.00)	-	-	-	-
Movement in CFR	(0.03)	2.95	13.21	8.50	8.41

4.10 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to an authority's overall financial position. The capital expenditure figures quoted demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

4.11 Furthermore, members should be made aware that the Council's CFR as at 31st March 2019 in relation to its commercial activities, as reported in table 4.9 above, of £2.10m compares to the total value of its investment properties of £29.59m as disclosed in the Statement of Accounts.

4.12 Minimum Revenue Provision (MRP) Policy Statement.

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although is it allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP).

4.13 MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the MRP Statement as detailed in **Appendix A**.

4.14 Core Funds and Expected Investment Balances.

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of

the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Fund balances/ reserves	31.84	25.33	22.11	20.60	20.40
Other Resources	13.32	17.18	9.84	9.84	9.84
Total core funds	45.16	42.51	31.95	30.44	30.24
Working capital *	(0.18)	3.14	4.00	3.24	2.19
Over/ (Under) borrowing	(8.60)	(9.05)	(11.26)	(10.76)	(10.17)
Expected investments	36.38	36.60	24.69	22.92	22.26

4.15 Affordability Prudential Indicators.

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators.

4.16 Ratio of financing costs to net revenue stream: This indicator identified the trend of cost of capital (borrowing and other long term obligation costs net of investment income) against the revenue stream:

	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Non-HRA	3.5%	3.2%	5.3%	5.0%	4.2%
HRA	12.9%	9.2%	10.2%	11.3%	12.6%

4.17 The Non-HRA indicator increases in 2020/21 and then reduces slowly over the medium term due to low interest rate environment reducing investment income, whereas existing debt is fixed rate plus additional debt costs to support the capital programme.

4.18 The HRA indicator shows a spike in 2018/19 at 12.9% due to the policy at the time to repay debt which is chargeable to balances (£1m repayment of debt) before reducing to an estimated 9.2% for 2019/20. The indicator then increases year on year after due to additional HRA borrowing to assist in the financing of the new build programme.

4.19 HRA Ratios

As part of the self-financing regime it is considered best practice to include indicators to reflect the level of debt that the HRA holds and compare to its revenues and number of dwellings held. The following table provides this information as at the end of each financial year.

	2018/19 Actual	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
HRA Debt	£76.66m	£78.66m	£87.16m	£95.16m	£103.16m
HRA Revenues (rent income)	£22.72m	£23.04m	£23.04m	£23.77m	£24.62m
Ratio of debt to revenues	337%	341%	378%	400%	419%
Number of dwellings (avg)	5,734	5,702	5,678	5,691	5,712
Debt per dwelling	£13,369	£13,795	£15,350	£16,721	£18,060

5. Borrowing.

- 5.1 The capital expenditure plans set out in section 4.2 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. 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.

5.2 Current portfolio position.

The overall treasury management portfolio as at 31st March 2019 and the position as at the end of December 2019 are shown below for both borrowing and investments:

	31-Mar-19		31-Dec-19	
	Principal Amount £000	Average Rate £000	Principal Amount £000	Average Rate £000
Investments placed for less than 1 year				
Fixed Rate:				
Fixed Term Deposit (365 days or less)	11,000	0.98%	13,000	0.96%
Certificates of Deposit (365 days or less)	9,000	0.98%	12,000	1.00%
Total Fixed Rate	20,000	0.98%	25,000	0.98%
Variable Rate Deposits				
Notice Account	8,000	0.95%	8,000	0.95%
MMFs/ Bank	5,376	0.71%	8,440	0.67%
Total Variable Rate	13,376	0.85%	16,440	0.81%
Total Investments placed for less than 1 year	33,376	0.93%	41,440	0.91%
Investments placed for more than 1 year				
Fixed Term Deposit (more than 1 year)	1,000	2.40%	0	0.00%
Property Fund	2,000	4.13%	2,000	3.98%
Total Investments placed for more than 1 year	3,000	3.55%	2,000	3.98%
Total Managed Investments	36,376	1.15%	43,440	1.05%
Borrowing				
General Fund:				
PWLB	7,750	4.67%	7,750	4.67%
Market	2,000	4.10%	2,000	4.10%
Interest Free Loan	8	0.00%	0	0.00%
Total General Fund	9,758	4.55%	9,750	4.55%
Housing Revenue Account:				
PWLB	70,955	2.96%	67,455	2.97%
Total Housing Revenue Account	70,955	2.96%	67,455	2.97%
Total Borrowing	80,713	3.15%	77,205	3.17%
Net Debt	44,337		33,765	

5.3 As at the end of December, investment balances were significantly higher than those held at the end of March. This is due to cash flow timings and it is predicted that investment balances will drop down to approximately £36m by the end of the financial year.

- 5.4 Investments placed are made up from a number of cash resources and are not readily available to service day to day spend. These include, General Fund and HRA Balances, capital receipts, specific grants and contributions (e.g. S106, HEART) and earmarked reserves held for specific purposes (e.g. business rates volatility, future capital spend, risk management). Investment balances can vary significantly throughout the year due to cash flow timings. An example of this would be Council Tax direct debits being received over 10 months commencing April, whereas salary payments are paid over 12 months.
- 5.5 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

	2018/19 Actual £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
External Debt					
Debt at 1 April	80.72	80.71	83.21	94.21	103.21
Debt Maturities	(0.01)	(3.50)	(4.50)	-	(8.50)
New Debt Taken	-	6.00	15.50	9.00	17.50
Debt at 31 March	80.71	83.21	94.21	103.21	112.21
The Capital Financing Requirement	89.31	92.26	105.47	113.97	122.38
Over / (Under) Borrowing	(8.60)	(9.05)	(11.26)	(10.76)	(10.17)

- 5.6 Latest cash flow forecasts and interest rate predictions indicate that it is affordable in the short term to maintain the Council's under-borrowed position. This position will be closely monitored throughout the year to ensure that the Council is not exposed to financial risks (i.e. re-financing and interest rate risks)
- 5.7 Within the prudential indicators there are a number of 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 2020/21 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 purposes.
- 5.8 The Executive Director – 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 into account current commitments, existing plans, and the proposals in this report.

6. Treasury Indicators: Limits to Borrowing Activity

6.1 **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 higher or lower depending on the levels of actual debt.

Operational Boundary	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Debt	92.26	104.47	112.97	121.38
Other long term liabilities	-	1.00	1.00	1.00
Total	92.26	105.47	113.97	122.38

6.2 **The Authorised Limit for external debt.** A further key prudential indicator represents a control on the maximum level of debt. This represents a 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 affordable 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 councils' plans, or those of a specific council, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Debt (CFR)	92.26	104.47	112.97	121.38
Contingency (emergency cashflow borrowing/ borrowing in advance of need)	10.00	11.00	12.00	13.00
Other long term liabilities	4.00	4.00	4.00	4.00
Total	106.26	119.47	128.97	138.38

7. Prospects for Interest Rates.

- 7.1 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view:

	Bank Rate	Money Rates		PWLB Borrowing Rates (incl' certainty rate adjustment)		
		3 month	1 year	5 year	25 year	50 year
March 2020	0.75%	0.70%	0.90%	2.30%	3.00%	2.90%
June 2020	0.75%	0.70%	0.90%	2.30%	3.00%	2.90%
September 2020	0.75%	0.80%	1.00%	2.40%	3.10%	3.00%
December 2020	0.75%	0.80%	1.10%	2.40%	3.20%	3.10%
March 2021	0.75%	0.90%	1.20%	2.50%	3.30%	3.20%
June 2021	1.00%	1.00%	1.30%	2.60%	3.40%	3.30%
September 2021	1.00%	1.00%	1.40%	2.70%	3.50%	3.40%
December 2021	1.00%	1.10%	1.50%	2.80%	3.60%	3.50%
March 2022	1.00%	1.20%	1.60%	2.90%	3.70%	3.60%
June 2022	1.25%	1.30%	1.70%	2.90%	3.80%	3.70%
September 2022	1.25%	1.30%	1.70%	3.00%	3.80%	3.70%
December 2022	1.25%	1.30%	1.70%	3.00%	3.90%	3.80%
March 2023	1.25%	1.30%	1.70%	3.10%	3.90%	3.80%

- 7.2 The above forecast is Link's central view and assumes that the UK will have agreed a reasonable exit trading deal with the EU. UK Growth is forecast to be low for much of this year (0.8%) and only 1.4% for 2021.
- 7.3 The most recent Monetary Policy Meeting (MPC) kept rates at 0.75% with a 7-2 majority choosing no change.
- 7.4 Despite the Link central forecast suggesting that Bank Rate will remain unchanged during 2020/21 at 0.75%, council officers have been prudent in assumptions and have forecast investment returns on the basis that a cut in Bank Rate will be forthcoming. It is considered that the risks in improvements to the economy and trade deal negotiations are both to the downside.
- 7.5 In summary:
- Investment returns are likely to be low during 2020/21 but to be on a gently rising trend over the next few years.
 - The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, in light of the recent central government policy increase in PWLB rates and an increasing cost of borrowing forecast it is likely that some external borrowing will be undertaken to mitigate future interest rate risk to avoid incurring higher borrowing costs;
 - There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

8. The Borrowing Strategy.

- 8.1 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 investment returns remain low and also reduces investment counterparty risk.
- 8.2 Against this background and risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Executive Director – Resources with the Head of Financial Services will monitor interest rates in the 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 long and short term rates (e.g. due to a marked increase or risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - If it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.
- 8.3 Any decisions will be reported to the appropriate decision making body at the next available opportunity.
- 8.4 The overall debt strategy for 2020/21 is to monitor the existing under-borrowed position and replace, in-part with new debt at the most advantageous time (i.e. minimal cost of carry implications in the medium term). Any borrowing taken, including rationale for taking the debt, would be reported to the Audit and Standards Committee as part of the quarterly update and also the Cabinet and Council as part of the mid-year review and annual report.
- 8.5 **PWLB Loans:** As referred to in section 7.5, there was a change in policy for setting PWLB rates during 2019/20. On the morning of 9th October 2019, HM Treasury issued a notice to all Section 151 Officers to advise that with immediate effect the rate of borrowing on any new PWLB debt taken would increase by 1% across all loan periods. PWLB rates are linked to treasury gilt yields plus a margin and are set twice a day. As an example, the change in policy resulted in the rate of a new 25 year PWLB loan taken on 9th October 2019 debt for a 25 year loan being 3.00% compared to 1.98% had it been taken a day earlier.
- 8.6 **Municipal Bond Agency** –the Municipal Bond Agency (MBA) are now in the market and preparing to offer loans to local authorities with target rates lower than that of the Public Works Loans Board (PWLB). This Council may make use of this new source of borrowing as and when appropriate. However, the Council will need to make an application to access funding from the MBA who

will assess the creditworthiness of Nuneaton & Bedworth Borough Council using their own criteria and therefore there is no guarantee that access to this source would be granted, although it is considered unlikely that we would be refused.

- 8.7 **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 indicator and limits:

Maturity Structure of fixed interest rate borrowing as at end of 2020/21			
		Lower	Upper
Under 12 months		0%	20%
12 months to 2 years		0%	20%
2 years to 5 years		0%	50%
5 years to 10 years		0%	75%
10 years to 20 years		0%	100%
20 years to 30 years		0%	100%
30 years to 40 years		0%	100%
40 years to 50 years		0%	100%

9. Policy on Borrowing in Advance of Need.

- 9.1 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 the 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.
- 9.2 Any borrowing in advance will be made within the following constraints that the Council would not look to borrow more than 2 years in advance of need and be limited to the expected increase in borrowing need for that period.
- 9.3 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.

10. Debt Rescheduling.

- 10.1 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position, the recent increase in the cost of borrowing at the PWLB and the size of the cost of debt repayment (premiums incurred).
- 10.2 The reasons for any rescheduling to take place will include:

- The generation of cash savings and/ or discounted cash flow savings;
- Helping to fulfil the treasury strategy;
- Enhance the balance of the portfolio (amend the maturity profile and/ or the balance of volatility).

10.3 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

10.4 Any rescheduling will be reported to the Audit and Standards Committee as part of the monitoring reports and to the Cabinet and Council as part of either the mid-year review or annual treasury outturn reports.

11. Annual Investment Strategy

11.1 Investment Policy

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This annual investment strategy deals solely with financial investments (as managed by the treasury team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

11.2 The Council’s investment policy has regard to the MHCLG’s Guidance on Local Government Investments (“the Guidance”) and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the CIPFA TM Code”). The Council’s investment priorities will be security first, liquidity second, then return.

11.3 In accordance with guidance from the MHCLG and CIPFA, and in order to minimise the risk to investments, the Council applies a minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

11.4 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector and both a micro and macro basis and in relation to economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets and to this end 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.

- 11.5 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 11.6 Investment instruments identified for use in the financial year are listed in **Appendix C** under the 'specified' and 'non-specified' investments categories.

12. Creditworthiness Policy

- 12.1 This Council continues to apply the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies – Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- Credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warnings of likely changes in credit ratings;
 - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 12.2 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product 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 duration for investments.
- 12.3 The Link Asset Services creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 12.4 Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalent) 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.
- 12.5 The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services 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 against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

12.6 Therefore, based on the above information, the approved counterparty list will be amended immediately upon receipt of rating change notifications and will be completely refreshed weekly.

12.7 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, information on external support for banks to help support its decision making process.

12.8 All investments will be denominated in sterling.

12.9 **Country Limits.**

The Council has determined that it will only use approved counterparties from countries 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 criteria as at the beginning of January 2020 are shown in **Appendix D**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

12.10 Ethical factors will be taken into consideration before a country is included within the final approved counterparty list.

12.11 Investments in non-UK banks or institutions that meet the criteria above will be limited to £6m in any one country within an overall maximum of £8m of the investment portfolio.

13. **Investment Strategy**

13.1 Investments will be made with reference to the core balances and cash flow requirements and the outlook for short-term interest rates. (i.e. rates for investments up to 12 months).

13.2 The budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year are as follows:

- 2020/21 0.50%
- 2021/22 1.00%
- 2022/23 1.25%
- 2023/24 1.50%
- 2024/25 1.75%
- Later years 2.25%

13.3 **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.

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

Maximum principal sums invested > 365 days			
	2020/21	2021/22	2022/23
Principal sums invested for more than 365 days	£10.00m	£10.00m	£10.00m

13.5 The maximum sums invested for more than 365 days would include fixed term deposits, balances held in a property fund and bonds. This indicator is a limit and not a firm expectation of balances that will be placed for more than 365 days. Long term deposits will only be placed after reference to our lending criteria, counterparty quality, cash flow forecasts and interest rate forecasts.

13.6 For its cash flow generated balances, the Council will seek to utilise its business account, notice accounts, money market funds and short dated deposits in order to benefit from the compounding of interest.

14. End of year investment report

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

15. Scheme of delegation.

15.1 There was a requirement of the 2009 Guidance notes to report to Council a scheme of delegation. Although this requirement does not appear within the 2017 revision it is still considered best practice to report this. Therefore **Appendix E** of this report details the scheme of delegation proposed for this Council.

16. Role of the Section 151 Officer.

16.1 **Appendix F** gives details of the Treasury Management role of the Section 151.

17. Conclusion

17.1 The Head of Financial Services, with the support of the Treasury Management section 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.

SIMONE HINES

APPENDICES

- A. MRP strategy**
- B. Prudential and Treasury Indicators**
- C. Treasury Management Practices (TMP1) – Credit and Counterparty Risk Management**
- D. Countries credit ratings for investments**
- E. Treasury management scheme of delegation**
- F. The Treasury Management Role of the Section 151 Officer**
- G. Capital Strategy**
- H. Treasury Strategy and Budgetary Framework 2020/21**

Minimum Revenue Provision – an introduction

What is a Minimum Revenue Provision?

Capital expenditure is generally expenditure on assets which have a life of more than one year e.g. buildings, vehicles, machinery etc. Where this expenditure is financed by borrowing it would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred. Therefore such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined under Guidance.

MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2020/21

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision – MRP), although it is allowed to undertake additional voluntary payments if required (voluntary revenue provision – VRP).

The MRP Policy Statement for 2020/21 is:

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, MRP will follow existing practice outlined in former MHCLG regulations.

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- From 1st April 2008 for all unsupported borrowing (including PFI and finance leases), MRP will be based on the estimated life of the assets once operational, in accordance with proposed regulations. The annuity method will be utilised for calculation of the MRP amount and will reference the appropriate PWLB rate at 31st March.

This option provides for a reduction in the borrowing need over approximately the assets life.

- Where unsupported borrowing is taken to finance an asset with the expectation for sale and the generation of a capital receipt no MRP will be charged. Once the asset has been sold and sale proceeds received the capital receipt will be applied to reduce the CFR up to the value of the unsupported borrowing taken. Any shortfall in receipt against the borrowing will be chargeable as Minimum Revenue

Provision in the year of sale.

- No revenue charge is currently required for the HRA. However under HRA reform the HRA will be required to charge depreciation on its assets, which will have a revenue effect.
- Repayments included in finance leases are applied as MRP.

MRP Overpayments – A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up to 31 March 2020, the total VRP overpayments for the General Fund was nil.

APPENDIX B – Agenda Item

PRUDENTIAL AND TREASURY INDICATORS

Prudential indicators	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Estimated Out-turn	Estimate	Estimate	Estimate
Capital Expenditure					
Non - HRA	£8.31m	£10.19m	£16.18m	£5.68m	£5.51m
Non - HRA (commercial activities)	£5.16m	£1.32m	£3.46m	£1.62m	£1.00m
HRA	£9.21m	£18.49m	£26.30m	£21.25m	£23.48m
TOTAL	£22.68m	£30.00m	£45.94m	£28.55m	£29.99m
Ratio of financing costs to net revenue stream					
Non - HRA (total)	3.5%	3.2%	5.3%	5.0%	4.2%
HRA	12.9%	9.2%	10.2%	11.3%	12.6%
Prudential Borrowing Requirement					
Non - HRA	£0.00m	£1.31m	£4.19m	£0.00m	£0.00m
Non - HRA (commercial activities)	£1.40m	£0.08m	£1.00m	£1.00m	£1.00m
HRA	£0.00m	£2.00m	£8.50m	£8.00m	£8.00m
TOTAL	£1.40m	£3.39m	£13.69m	£9.00m	£9.00m
Capital Financing Requirement as at 31 March					
Non - HRA	£10.55m	£11.56m	£15.34m	£14.93m	£14.44m
Non - HRA (commercial activities)	£2.10m	£2.04m	£2.97m	£3.88m	£4.78m
HRA	£76.66m	£78.66m	£87.16m	£95.16m	£103.16m
TOTAL	£89.31m	£92.26m	£105.47m	£113.97m	£122.38m
Treasury management indicators	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Revised Indicators	Proposed Indicators	Proposed Indicators	Proposed Indicators
Authorised Limit for external debt -					
borrowing		£102.26m	£115.47m	£124.97m	£134.38m
other long term liabilities		£4.00m	£4.00m	£4.00m	£4.00m
TOTAL		£106.26m	£119.47m	£128.97m	£138.38m
Operational Boundary for external debt -					
borrowing		£92.26m	£104.47m	£112.97m	£121.38m
other long term liabilities		£0.00m	£1.00m	£1.00m	£1.00m
TOTAL		£92.26m	£105.47m	£113.97m	£122.38m
Gross External Debt at 31 March	£80.71m	£83.21m	£94.21m	£103.21m	£112.21m
Upper limit for total principal sums invested for over 365 days (actual for 2018/19)	Max £3m	£10.00m	£10.00m	£10.00m	£10.00m

Maturity structure of fixed rate borrowing 2020/21	Upper Limit	Lower Limit
Under 12 months	20%	0%
12 months to 2 years	20%	0%
2 years to 5 years	50%	0%
5 years to 10 years	75%	0%
10 years to 20 years	100%	0%
20 years to 30 years	100%	0%
30 years to 40 years	100%	0%
40 years to 50 years	100%	0%

Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

Specified Investments: All such investments will be sterling denominated with maturities up to a maximum of 1 year and meeting the minimum ‘high’ rating criteria where applicable. (This will include the UK and all other countries that meet the minimum investment rating specification)

Non-Specified Investments: These are any investments which do not meet the Specified Investment criteria. A maximum of £12m will be held in non-specified investments.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Specified Investments:

	Minimum Credit Criteria / Link Asset Services Colour Band	Maximum Maturity Period	Max % of Total Investments / £ Limit per Institution or Fund
DMADF – UK Government	n/a	6 months	100%
UK Government Gilts	UK Sovereign Rating	1 year *	100%
UK Government Treasury Bills	UK Sovereign Rating	1 year	100%
Bonds issued by Multilateral Development Banks	AAA	12 months	£8m
Money Market Funds CNAV	AAA	Liquid	£8m
Money Market Funds LVNAV	AAA	Liquid	£8m
Money Market Funds VNAV	AAA	Liquid	£8m
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	Liquid	£8m
Ultra-Short Dated Bond Funds with a credit score of 1.50	AAA	Liquid	£8m
UK Local Authorities	n/a	1 year *	100%
Term deposits, notice accounts or instant access cash accounts with Banks & Building Societies	Yellow	1 year *	£10m
	Purple	1 year *	£10m
	Blue	1 year	£10m
	Orange	1 year	£10m
	Red	6 months	£8m
	Green	100 days	£8m
Gilt Funds	UK Sovereign Rating	Liquid	100%

	Minimum Credit Criteria / Link Asset Services Colour Band	Maximum Maturity Period	Max % of Total Investments / £ Limit per Institution or Fund
Certificates of Deposit or Corporate Bonds with Banks & Building Societies	Yellow	1 year *	£10m
	Purple	1 year *	£10m
	Blue	1 year	£10m
	Orange	1 year	£10m
	Red	6 months	£8m
	Green	100 days	£8m
Corporate Bonds	A	1 year *	£3m
Covered Bonds	Initial Rating AAA (minimum subsequent rating A)	1 year *	£3m
Housing Associations	Yellow	1 year *	£10m
	Purple	1 year *	£10m
	Blue	1 year	£10m
	Orange	1 year	£10m
	Red	6 months	£8m
	Green	100 days	£8m

* Deposits are allowable for periods of greater than 1 year but will fall within the Non Specified Investments category as detailed below.

Non Specified Investments:

	Minimum Credit Criteria / Link Asset Services Colour Band	Maximum Maturity Period	Max % of Total Investments / £ Limit per Institution or Fund
Council's own banker <i>(should their credit rating not meet the criteria for specified investments)</i>	No colour	Liquid	£2m
Term deposits with Banks & Building Societies	Yellow	5 years	£10m
	Purple	2 years	£10m
Certificates of Deposit or Corporate Bonds with Banks & Building Societies	Yellow	5 years	£10m
	Purple	2 years	£10m
UK Government Gilts	UK Sovereign Rating	5 years	100%
UK Local Authorities	n/a	5 years	100%
Gilt Funds	UK Sovereign Rating	5 years	100%
Corporate Bonds/ Floating Rate Notes	A	2 years	£4m
Covered Bonds/ Covered Floating Rate Notes	Initial Rating AAA (minimum subsequent rating A)	5 years	£4m
Property Funds			£5m
Housing Associations	Yellow	5 years	£4m
	Purple	2 years	£4m

UK Banks – ring fencing: The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required by UK Law to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank (RFB), will be focussed on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

Accounting treatment of investments: The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

Financial Group Limits: In addition to the institution limits set above for banks and building societies, an additional limit of £12m per banking group is set.

Countries Credit Rates for Investments as at 3rd January 2020

(Based on lowest rating from Fitch, Moody's and S&P and also have banks operating in sterling markets (except Hong Kong, Norway & Luxembourg at time of writing) and have a green or higher credit rating assessment).

AAA

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

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Hong Kong
- France
- **U.K.**

AA-

- Belgium
- Qatar

Note: Other ethical factors will be taken into consideration before a country is included in the Council's final counterparty list.

Treasury Management Scheme of Delegation

(i) Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of annual strategy.
- Budget approval.

(ii) Body with responsibility for scrutiny - Cabinet

- Approval of/ amendments to the treasury management policy statement and treasury management practices.
- Budget consideration.
- Approval of division of responsibilities.
- Receiving and reviewing reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

(iii) Body with responsibility for receiving monitoring reports - Audit and Standards Committee

- Reviewing the quarterly treasury activity reports.

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer – Executive Director - Resources

- 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 Council.
- 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 Council 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 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 Council
- 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.

Nuneaton & Bedworth Borough Council

Capital Strategy

**V2.0
February 2020**

1. Introduction

- 1.1. In December 2017, CIPFA issued a revised Prudential Code with a focus on non-treasury investments and especially on the purchase of property with the intention of generating income. Such purchases may involve undertaking external borrowing to finance these acquisitions or utilising existing cash balances which exposes the council to risk. The revised code now required all authorities to produce a detailed Capital Strategy.
- 1.2. The Capital Strategy will form part of the Council's overall Corporate Planning Framework. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned over a medium term (3 year) planning horizon.
- 1.3. This strategy sets out the Council's approach to capital investment and the approach that will be followed in making decisions in respect of the Council's Capital assets.
- 1.4. Capital investment is an important part in ensuring that the Council's vision is achieved and given that capital resources are limited it is critical that the Council makes best use of those resources.
- 1.5. The Strategy sets out the policy framework for the development, management and monitoring of this investment and forms a key component of the Council's planning alongside the Medium Term Financial Plan (MTFP).
- 1.6. It sets out the strategic influences on the Council's capital investment plan and how the Council is going to work with these influences to bring about the best advantage to meet local needs, including working with partners, with the aim to drive economic regeneration and deliver corporate objectives.
- 1.7. It also demonstrates that the Council has regard to the Prudential Code for Capital Finance by giving a clear and concise view of how much it can afford to borrow and its risk appetite. It is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed.
- 1.8. The Capital Strategy is a live and dynamic document, which will update and evolve as strategic influences and priorities change. The Strategy will be reviewed annually and updated and presented to Council in February each year as part of the annual budget setting process.

2. Aims of the Capital Strategy and Link to Corporate Outcomes

- 2.1. The definition of an investment as provided by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily to generate financial returns, such as investment property portfolios. This may include investments that are not managed as part of the normal treasury management processes or under treasury management delegations.
- 2.2. The key aims of the Capital Strategy are to:
- provide a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment is targeted at meeting the Council's Vision as set out in the Corporate Plan;
 - Deliver projects that focus on delivering a number of corporate and financial priorities:
 - ◇ Protecting the most vulnerable and improving the quality of life of residents
 - ◇ Grow the economy
 - ◇ Spend to save initiatives which generate efficiencies in the council's revenue budget
 - ◇ Create sustainable income – business rates or council tax
 - ◇ Spend to earn income – rents, interest, dividend, capital appreciation
 - ◇ Deliver budget decisions
 - ◇ Attract significant third party funding to the borough
 - ◇ Address major infrastructure investment
 - ◇ Deliver economic outcomes of jobs growth
 - Sets out how the Council identifies, programmes and prioritises capital requirements and proposals following a robust appraisal process including evaluation of value for money, affordability and risk.
 - Consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment
 - Identify the resources available for capital investment over the MTFP planning period
 - Ensure the Strategy has an overall balance of risk on a range of investments over timespan, type of investment and rate of return, and
 - Establish effective arrangements of project outcomes, budget profiling, deliverability, value for money and security of investment.

3. The Capital Appraisal Process

- 3.1. As part of the Council's processes, there is a requirement to consider the capital resources needed to delivery services now and into the future. The MTFP and HRA Business Plan also inform the capital strategy.
- 3.2. All proposed capital projects should be prepared with regard to the following list of criteria:
 - Invest to save
 - Avoidance of cost
 - Health & Safety or other mandatory requirement (e.g. D.D.A)
 - Cabinet pledge/ priority
 - Maintenance of services and assets
 - How it contributes to the Council's Key Aims and Objectives.
- 3.3. Any proposed schemes should also consider the following information:
 - Cash flows – Capital and Revenue
 - External funding available
 - Background/ Purpose
 - Resource implications (e.g. human resources)
 - Benefits
 - Assumptions
 - Project Approach
 - Risks
 - Dependencies
 - Do nothing option
 - Measures of success
- 3.4. Corporate Asset Management Team (CAMT) is an internal working group which with membership from Executive Directors, Directors, Head of Financial Services (plus other key finance officers), Head of Estates and Emergency Planning and the ICT Client Manager. CAMT considers proposed schemes prior to consideration by Members to ensure that there is sufficient information and appropriate challenge to allow schemes to be prioritised against resources available.

4. Approach to Risk Management

- 4.1. The Council is committed to the culture of Risk Management ensuring that its reputation is not tarnished by an unforeseen event nor is it financially or operationally affected by the occurrence.

4.2. The agreed roles and responsibilities within the risk management framework are outlined in the table below:

Group /Individual	Role
Audit and Standards Committee	<ul style="list-style-type: none"> • Monitor the effectiveness of the Councils risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management. • To monitor the actions being taken to mitigate the impact of potentially serious risks
Cabinet	<ul style="list-style-type: none"> • To provide strategic direction with regard to risk management.
Executive Directors / Directors	<ul style="list-style-type: none"> • To provide leadership for the process of managing risks. • To ensure that risk management methodology is applied to all service plans, projects, partnerships and proposals. • To identify and manage business /operational risks. • To ensure that the management of risk is monitored as part of the performance management process. • To ensure that all risks are identified, recorded and effectively managed in their area or responsibility. • To review and update their risk register on at least an annual basis but appropriate to the risk. • To determine the method of controlling the risk. • To delegate responsibility if appropriate for the control of the risk.
All staff	<ul style="list-style-type: none"> • To ensure that risk is effectively managed in their areas. • To ensure that they notify their managers of new and emerging risks.
Corporate Governance and Audit Manager	<ul style="list-style-type: none"> • To ensure that the risk management strategy is regularly reviewed and updated. • Promote and support the risk management process throughout the Council. • Advise and assist managers in the identification of risks.

5. Monitoring of Capital Schemes

- 5.1. The monitoring of progress on individual schemes is reported to the Corporate Asset Management Team on a bi-monthly basis. A summary of overall spend compared to budget is reported to Management Team monthly and Internal Overview and Scrutiny Panel on a quarterly basis as part of the Strategic Performance Report with a commentary for significant variances.
- 5.2. Cabinet receive regular programme updates with any revisions required (e.g. new proposals or re-profiling requests). A Capital Outturn Report is also prepared for Cabinet in June detailing the final position for the financial year.

6. Asset Held by the Council

- 6.1. The majority of the Councils asset base is derived from 3 classes with the majority of capital spend allocated to these areas:

	Valuation as at 31 Mar 19	Outstanding prudential borrowing as at 31 Mar 19	Prudential debt as percentage of asset value	<i>Capital Investment 2017/18 and 2018/19 (acquisitions and any subsequent expenditure)</i>
Council Dwellings	£211.4m	-	-	£18.6m
Other Land & Buildings	£54.8m	£2.54m	4.6%	£7.5m
Investment Properties	£29.6m	£2.10m	7.1%	£5.4m

- 6.2. The above debt totals are purely prudential borrowing values and therefore exclude amounts held as part of the previous capital financing regulation, e.g. supported borrowing and amounts required to be taken as part of the 2012 HRA self-financing settlement.
- 6.3. Investment Properties are assets held by the Council solely for income generation or for capital gain. Assets held for any other strategic objective (e.g. regeneration) would not be held in this category but more likely be classified within Other Land and Buildings.

7. Priority Areas for Investment

- 7.1. Underlying the Capital Strategy is the recognition that the financial resources available to meet corporate priorities are constrained in the current economic and political climate. Therefore, the Council must rely more on internal resources and seek ways in which investment decisions can be no less than

self sustaining or generate positive returns both in meeting corporate objectives and producing revenue savings.

- 7.2. Nuneaton and Bedworth Borough Council is an HRA authority and holds and maintains Council Dwellings. Capital expenditure needs within the HRA are driven primarily by maintaining decent homes standards, ensuring that the properties are safe and comply with any relevant legislative standards, with a vision to increase the stock holdings, either through acquisition or new build. The latter objective is subject to sufficient resources and maintaining a viable HRA business plan over the 30 year time horizon.
- 7.3. The wider regeneration of the borough relies on investment into new jobs, economic growth, commercial property and homes. These in turn contribute towards council funding in the longer term in the form of additional council tax, business rates or land sale receipts. In order for the Council to ensure it can promote future opportunity, the main priorities are set out as follows:
- **Economic Development and Investment** – The Council will continue to seek to invest in development projects or opportunities that generate longer term growth. These projects will yield a combination of revenue generation (business rates rent or interest), jobs and capital infrastructure investment. Particular focus will be on regeneration of the Town Centres, linked to bids to the governments Future High St and Towns Funds schemes.
 - **Disabled Facilities Grants** – The Council receives capital grant funding to meet the cost of providing adaptations and facilities to enable disabled persons to continue to live in their homes for longer.
 - **Maintenance and renewal of the Council’s Assets** – This includes the Town Hall, Civic Hall, Museum, Depot, leisure facilities, car parks, retail and commercial sites, IT infrastructure and vehicles. In December 2019 Cabinet agreed a Leisure Strategy which includes the rebuild and/or significant improvement to the Councils Leisure Centres and will involve capital investment of up to £40m.
 - **Other initiatives based on sustainable business plans** – Subject to full cost recovery business cases.
- 7.4. The Council’s capital investment falls within, and needs to comply with, the “Prudential Code for Capital Finance in Local Authorities” (The Code). Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, with the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.

8. Capital Funding Streams

- 8.1. Decisions on capital investment are made in the context of limited resources. The capital programme is currently reliant on funding from capital receipts,

third party contributions/ external grants, contributions from revenue and borrowing. The following is the priority order in how funding will be applied:

- **External Grants** – A significant part of capital funding comes through as external grant allocations from central government departments. The Council currently receives Disabled Facilities Grant but is exploring other options for funding such as Homes England, Sports England and funds to support economic development and housing growth delivery.
- **Section 106 (S106) and External Contributions** – There is a possibility that some projects can be funded or part funded by contributions from private sector developers and partners. Growth in Nuneaton and Bedworth has resulted in S106 contributions from developers to support specific infrastructure projects throughout the borough. However, it should be noted that reliance on this funding going forward is dependent on the Council's policy on S106 contributions and that schemes are affordable against economic and market conditions, which is currently a challenge. The Council is also in the process of implementing a Community Infrastructure Levy, subject to viability considerations.
- **Capital Receipts** – The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. While the Council has benefitted from this in recent years, the assets that are retained by the Council are necessary to deliver services or generate income. There are parcels of land where the Council is actively exploring options for building dwellings or disposal. Any capital receipts generated would be re-invested in the Capital Programme, with particular focus on Town Centre and Leisure developments.
- **Revenue Contributions** –
 - ◇ The council has earmarked reserves set aside to support specific capital investment projects (e.g. IT infrastructure replacement, vehicles, CCTV, property purchases etc) and also to support invest to save initiatives. These reserves receive a contribution each financial year from the revenue budgets to create a pot to draw from as and when required.
 - ◇ The Council can also use direct revenue contributions to fund capital projects. However, austerity on the Council's General Fund revenue budgets has reduced options in this area.
- **Specific Reserves** – The Housing Revenue Account is mandated to charge the revenue account for depreciation on the assets that it holds. This annual charge is held in the Major Repairs Reserve and is ringfenced to fund capital expenditure incurred by the HRA.
- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allows councils to undertake unsupported borrowing which is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure the unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund developments to stimulate growth. This type of

borrowing has revenue implications for the Council in the form of financing costs.

9. Commercial Activity

9.1. As referred to in section 6.1, the Council holds a significant value of investment properties to generate income to the General Fund. This is done either through leasing directly to tenants and receiving rental income, or leasing properties to the Councils trading arm NABCEL.

9.2. The categories of investment properties held can be broken down further. However, due to current internal reporting it is not currently possible to break down the income generated into these sub-categories. However, the overall position can be shown below:

	Valuation 31 March 2018	Valuation 31 March 2019
Non NBBC Office accommodation	£ 1.06m	£ 1.06m
Retail units	£13.85m	£17.03m
Industrial Units	£ 2.22m	£ 2.23m
Residential	£ 0.35m	£ 0.35m
NABCEL	£ 5.72m	£ 7.75m
Other	£ 1.18m	£ 1.16m
Total	£24.38m	£29.58m
Gross Income Generated in year	£ 1.35m	£ 1.42m
gross yield	5.5%	4.8%
Net Income in year - after costs	£ 0.95m	£ 1.00m
net yield	3.9%	3.4%

9.3. It should be noted that some of the properties included in the above list are not held for commercial activities and the rental income chargeable may not be at a commercial market rent. There may also be instances where some of the properties are void during the year and therefore as no income is generated for these periods this would deflate the overall yield generated.

9.4. Any new commercial investment activity will be subject to an assessment which will include location and ethical aspects for each opportunity. In addition to this, further assessment will be undertaken against a matrix of criteria. This will include the following:

- Location
- Covenant (including status of current owners)
- Size
- Lease length
- Tenure
- Repairing obligations
- Net yield

- Development potential
- 9.5. Each property investment opportunity will be assessed against a set of criteria which will be recorded for future reference.
- 9.6. Given the various dynamics for each property sector, the criteria for each asset will vary but should follow the core principles of
- Individual properties will be fully financially and physically appraised using a risk and return matrix based on the criteria at 9.4. This will be specific to each and every property proposed for purchase.
 - Any acquisitions or developments to be leased to NABCEL must meet the yield criteria set out in the business case.
 - Location will be dictated by opportunity to acquire investments that meet this Strategy but will largely be across the functional economic area of the Borough
 - Lease length will be determined by market forces but the premise will be to maximise.
 - Market Rent should be equal to or above passing rent.
 - Market sectors and locations with rental growth and good letting prospects will be actively sought.
- 9.7. Further performance measures, portfolio analysis and valuation, as required, will be undertaken to allow for a purchase or not purchase decision. For example these could include:
- The fabric or structural condition of the property
 - The ground conditions
 - The surrounding land uses
 - Planning approvals of that and any other surrounding developments, in situ or proposed.
- 9.8. All of the above could have a bearing on value and on whether or not the opportunity is one to pursue.

10. HRA Business Plan

- 10.1. The HRA Financial Business Plan models the 30 year cash flows of the HRA and the capital spend needs to ensure that the HRA remains viable over the long term.
- 10.2. The spending needs of maintaining our existing stock is the priority and serves as the starting position when reviewing the plan each year during the budget setting process. Any surpluses can then be utilised to provide additional dwellings either through acquisition or new build.

- 10.3. During 2018, MHCLG announced that the debt cap, which had been applied to the HRA since 2012, was to be removed. This effectively meant that the HRA was free to borrow for a capital purpose without limit, so long as it still satisfied the requirement of the prudential code in that it was affordable and prudent.
- 10.4. Extensive modelling has been undertaken to ensure that new build and acquisitions factored into the updated business plan are both achievable from a delivery perspective, and affordable with realistic financial assumptions. This has further been reviewed following the announcement of a 1% rise in PWLB rates in October 2019 which added significant borrowing costs to the Business Plan. Further information is contained within the HRA Budget Report.
- 10.5. The value of dwellings held by the council was £211.4m as at 31st March 2019 and comprised 5,717 dwellings (3,382 houses and bungalows and 2,335 flats and maisonettes).

11. Capital Programme

- 11.1. The capital programmes for both the General Fund and the HRA are approved by Council each February as part of the budget setting agenda. This includes the sources of funded for the two programmes.
- 11.2. A five year forward looking summary forecast is included in the following tables. These budgets are purely investment in the Councils assets and do not include grant payments to third parties (e.g. HEART, Bermuda Connectivity) as they do not generate an asset for the Council, and also exclude payments to acquire Camp Hill properties as part of the Camp Hill regeneration scheme.

11.3. General Fund:

Category of Expenditure	2019/20 Estimate	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Maintaining/ Improving existing assets	£2.37m	£1.87m	£0.25m	£0.25m	£0.25m	£0.25m
Leisure Strategy	-	£1.16m	-	-	-	-
Commercial Investment	£1.00m	£3.46m	£1.62m	£1.00m	£1.00m	£1.00m
Strategic (MRF)	-	£3.40m	-	-	-	-
Vehicle/ IT	£0.52m	£0.99m	£0.67m	£0.50m	£0.50m	£0.50m
Contingency	-	£0.10m	£0.10m	£0.10m	£0.10m	£0.10m
Total	£3.89m	£10.98m	£2.64m	£1.85m	£1.85m	£1.85m
Financing:						
Grants/ Contributions	£0.07m	£0.30m	-	-	-	-
Capital Receipts	£1.25m	£0.46m	£0.37m	£0.07m	£0.07m	£0.07m
Reserves/ Revenue	£1.18m	£5.03m	£1.27m	£0.78m	£0.78m	£0.78m
Borrowing	£1.39m	£5.19m	£1.00m	£1.00m	£1.00m	£1.00m
Total	£3.89m	£10.98m	£2.64m	£1.85m	£1.85m	£1.85m

11.4. Housing Revenue Account:

Category of Expenditure	2019/20 Estimate	2020/21 Budget	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Maintaining/ Improving existing assets	£13.32m	£12.68m	£9.55m	£10.28m	£6.97m	£7.68m
Acquisition & New Build	£4.73m	£13.62m	£11.70m	£12.03m	£3.59m	£8.55m
Vehicle/ IT	£0.44m	-	-	£1.17m	-	£0.31m
Total	£18.49m	£26.30m	£21.25m	£23.48m	£10.56m	£16.54m
Financing:						
Grants/ Contributions	-	£1.50m	-	£2.96m	-	-
Capital Receipts	£0.53m	£1.81m	£2.23m	£2.28m	£1.28m	£3.46m
Reserves (incl Major Repairs Reserve)	£15.96m	£14.49m	£11.02m	£10.24m	£9.28m	£13.08m
Borrowing	£2.00m	£8.50m	£8.00m	£8.00m	-	-
Total	£18.49m	£26.30m	£21.25m	£23.48m	£10.56m	£16.54m

12. Knowledge and Skills

- 12.1. Finance staff with responsibility for treasury management and/or the capital programme are either AAT or CIPFA qualified/ part qualified. Link Asset Services are currently the Councils treasury management advisors and provide training as and when required.
- 12.2. Training for Members with regard to treasury management is scheduled to be provided during 2020/21.

13. Future Issues

- 13.1. During the coming 12 months there will be a number of projects and outputs from internal processes which will necessitate a revision of this Capital Strategy as well as national funding issues.
 - Results from leisure strategy ongoing work
 - Any proposals for regeneration schemes, and the outcome of the Councils bids to the Future High St and Town Deal schemes.
 - Ongoing review of the assets that may be disposed of to generate further capital receipts to fund the capital programme
 - The outcome of the Spending Review, Fair Funding Review and Business Rates Retention which may determine the resources that the Council has available for capital investment.
- 13.2. Any implications from these will be included in future updates to this strategy.

Treasury Strategy & Budgetary Framework 2020/21

- a) Cabinet be delegated to increase the approved revenue budgets for the General Fund and the Housing Revenue Account for 2020/21 subject to the minimum working balances of £1m and £1.3m respectively being maintained and having regard to the reserves risk assessment included within the budget report.
- b) Capital resources of £19.64m and £26.30m be approved for the General Fund and the Housing Revenue Account respectively (which includes the latest estimate of re-profiled expenditure from 2019/20).
- c) Any unused capital allocation from 2019/20 as at 31st March 2020, and still required, be carried forward into 2020/21 and added to the capital budgets.
- d) The Minimum Revenue Provision (MRP) Policy Statement (Appendix A to the 12th February 2020 Cabinet report) be adopted.
- e) The Prudential and Treasury Indicators (Appendix B to the 12th February 2020 Cabinet report) be adopted.
- f) The Treasury Management Strategy (as detailed in the 12th February 2020 Cabinet report) including the borrowing and investment strategies for 2020/21 be adopted.
- g) The Capital Strategy (Appendix G to the 12th February 2020 Cabinet Report) be adopted

Cabinet/Individual Cabinet Member Decision

Report Summary Sheet

Date: 12th February 2020
Subject: Timetable of Meetings 2020/21 & 2021/22
Portfolio: All Portfolios
From: Director – Arts, Leisure and Democracy

Summary: The report seeks Cabinet approval for the timetable of meetings for Cabinet 2020/21 and provisional Timetable of Meetings for 2021/22.
Recommendations: <ul style="list-style-type: none">• the timetable of meetings for Cabinet, Committees and Overview and Scrutiny panels for 2020/21 and provisional timetable for 2021/22 be approved;• delegated powers be granted to the Director – Arts, Leisure and Democracy, in consultation with the relevant chair, to change meetings if, for unforeseen reasons, it becomes necessary to amend a date;• the timetable for 2020/21 and provisional timetable for 2021/22 in respect of Council, committees and overview and scrutiny panels be referred to Council for consideration and approval.
Options: <p>Not to approve the timetable</p>

Reasons: To produce a timetable of meetings for 2020/21 and a provisional timetable of meetings for 2021/22.

Consultation undertaken with Members/Officers/Stakeholders

Executive Directors; all Directors; & Group Leaders

Subject to call-in:

Yes

Ward relevance: None

Forward plan: No

Corporate Priorities:

Delivering Our Future: Theme 3, Priority 1.

Relevant statutes or policy: Council Constitution

Equalities Implications: None

Human resources implications: None

Financial implications: None

Health Inequalities Implications: None

Section 17 Crime & Disorder Implications: None

Risk management implications:

There will be no increase in risk to the Council

SME (Small/Medium Enterprises) & Local Economy Implications: None

Environmental implications:

None

Legal implications: None

Contact details:

Phil Richardson – Director – Arts, Leisure & Democracy

02476 376233

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet – 12 February 2020

From: Director – Arts, Leisure and Democracy

Subject: TIMETABLE OF MEETINGS 2020/21 and 2021/22

Portfolio: All Portfolios

Delivering Our Future Theme: 3

Delivering our Future Priority: 1

1. Purpose of Report

To approve the timetable of meetings for Council, Committees and Overview and Scrutiny Panels for 2020/21 attached at Appendix A and the provisional timetable of meetings for 2021/22 attached at Appendix B to this report.

2. Recommendations

- (a) the timetable of meetings for Cabinet, Committees and Overview and Scrutiny panels for 2020/21 and provisional timetable for 2021/22 be approved;
- (b) delegated powers be granted to the Director – Arts, Leisure & Democracy, in consultation with the relevant chair, to change meetings if, for unforeseen reasons, it becomes necessary to amend a date;
- (c) the timetable for 2020/21 and provisional timetable for 2021/22 in respect of Council, committees and overview and scrutiny panels be referred to Council for consideration and approval.

3. Background

In preparing the timetables for 2020/21 (Appendix A) and 2021/22 (Appendix B), the items set out below have been taken into account and relevant officers and Members have been consulted.

3.1 Council Meetings

The Annual Council meeting has been arranged for the 19th May, 2020. Majority of the Council meetings will be held on Wednesdays apart from the budget setting council which will be held on Monday 15th February at 6pm to allow for budget consultation.

3.2 Cabinet Meetings

Meeting of Full Council - 17th February 2020
All Cabinet meetings will be held on a Wednesday.

3.3 Planning Applications Committees

The number of weeks between each Planning Applications Committee has been set at three where possible. All meetings will be held on a Tuesday.

3.3 Licensing Committee

Licensing Committee meetings have been scheduled to take place on a Tuesday or a Wednesday, with a cycle of approximately every six weeks, avoiding the August and Christmas breaks.

3.4 Audit and Standards Committee

Audit and Standards Committee dates have been arranged to consider reports on accounts and performance and budgets to feed into the Cabinet and Council deadlines where necessary. All Audit and Standards Committee meetings have been scheduled to take place on Tuesdays.

Standards Sub-Committee meetings will in future be arranged on an 'as and when required' basis.

3.5 Overview and Scrutiny Panels

All Overview and Scrutiny Panel meetings have been scheduled to take place on Thursdays.

3.6 Other Committees

Appeals Committees, Individual Cabinet Member Decisions and Sub-Committees for Licensing are not included in the timetable as they all meet on an 'as and when required' basis.

3.7 School Half Term weeks and Religious Festivals/Celebration dates

It is acknowledged that some meetings will take place in half term weeks and on or during religious observation dates, but it is very difficult to avoid all of these weeks to include all the meetings required for the Council to conduct its business.

3.8 Start Time of Meetings

The start time of meetings has been scheduled as for 2019/20

Philip Richardson
Director – Arts, Leisure and Democracy.

NUNEATON AND BEDWORTH BOROUGH COUNCIL**TIMETABLE OF MEETINGS****2020/2021**

Day	Date	Location	Time	Title
Wednesday	20 th May	Town Hall	6.00pm	Annual Council
Monday	25 th May			Bank Holiday
Tuesday	26 th May	Town Hall	*4.00pm	Planning Applications
Wednesday	27 th May	Town Hall	6.00pm	Cabinet
Wednesday	3 rd June	Town Hall	6.00pm	Licensing
Thursday	11 th June	Town Hall	5.00pm	Internal OSP (Perf Q4 & end of year)
Tuesday	16 th June	Town Hall	*4.00pm	Planning Applications
Wednesday	24 th June	Town Hall	6.00pm	Cabinet
Tuesday	7 th July	Town Hall	*4.00pm	Planning Applications
Wednesday	8 th July	Town Hall	6.00pm	Licensing
Thursday	9 th July	Town Hall	5.00pm	External OSP (Perf Q4 & end of year)
Wednesday	15 th July	Town Hall	6.00pm	Council
Tuesday	21 st July	Town Hall	5.00pm	Audit & Standards
Wednesday	22 nd July	Town Hall	6.00pm	Cabinet
Tuesday	28 th July	Town Hall	*4.00pm	Planning Applications
Tuesday	25 th August	Town Hall	*4.00pm	Planning Applications
Monday	31 st August			Bank Holiday
Wednesday	2 nd September	Town Hall	6.00pm	Licensing
Tuesday	8 th September	Town Hall	5.00pm	Audit & Standards
Wednesday	9 th September	Town Hall	6.00pm	Cabinet
Tuesday	15 th September	Town Hall	4.00pm*	Planning Applications
Wednesday	16 th September	Town Hall	6.00pm	Council
Thursday	17 th September	Town Hall	5.00pm	Internal OSP (Perf Q1)
Tuesday	6 th October	Town Hall	*4.00pm	Planning Applications
Wednesday	7 th October	Town Hall	6.00pm	Licensing
Wednesday	14 th October	Town Hall	6.00pm	Cabinet

Day	Date	Location	Time	Title
Thursday	15 th October	Town Hall	5.00pm	External OSP (Perf Q1)
Tuesday	27 th October	Town Hall	*4.00pm	Planning Applications
Tuesday	3 rd November	Town Hall	5.00pm	Audit & Standards
Tuesday	10 th November	Town Hall	*4.00pm	Planning Applications
Wednesday	11 th November	Town Hall	6.00pm	Cabinet
Thursday	12 th November	Town Hall	5.00pm	Internal OSP (Perf Q2)
Wednesday	25 th November	Town Hall	6.00pm	Licensing
Wednesday	2 nd December	Town Hall	6.00pm	Council
Thursday	3 rd December	Town Hall	5.00pm	External OSP (Perf Q2)
Tuesday	8 th December	Town Hall	*4.00pm	Planning Applications
Wednesday	9 th December	Town Hall	6.00pm	Cabinet
Friday	25 th December			Bank Holiday
Monday	28 th December			Bank Holiday
Tuesday	29 th December			Offices Closed
Wednesday	30 th December			Offices Closed
Thursday	31 st December			Offices Closed
		2021		
Friday	1 st January			Bank Holiday
Tuesday	5 th January	Town Hall	5.00pm	Audit & Standards
Wednesday	6 th January	Town Hall	6.00pm	Licensing
Tuesday	12 th January	Town Hall	*4.00pm	Planning Applications
Wednesday	13 th January	Town Hall	6.00pm	Cabinet
Thursday	21 st January	Town Hall	5.00pm	Internal OSP
Tuesday	2 nd February	Town Hall	*4.00pm	Planning Applications
Wednesday	3 rd February	Town Hall	6.00pm	Cabinet
Thursday	4 th February	Town Hall	5.00pm	External OSP
Wednesday	10 th February	Town Hall	6.00pm	Cabinet (Budget & Council Tax Setting)
Monday	15 th February	Town Hall	6.00pm	Council (Budget & Council Tax Setting)
Tuesday	23 rd February	Town Hall	*4.00pm	Planning Applications

Day	Date	Location	Time	Title
Wednesday	24 th February	Town Hall	6.00pm	Licensing
Tuesday	9 th March	Town Hall	*4.00pm	Planning Applications
Wednesday	10 th March	Town Hall	6.00pm	Cabinet
Tuesday	16 th March	Town Hall	5.00pm	Audit & Standards
Thursday	18 th March	Town Hall	5.00pm	Internal OSP (Perf Q3)
Tuesday	30 th March	Town Hall	4.00pm	Planning Applications
Friday	2 nd April			Offices closed – Good Friday
Monday	5 th April			Offices closed - Easter Monday
Wednesday	7 th April	Town Hall	6.00pm	Licensing
Wednesday	14 th April	Town Hall	6.00pm	Cabinet
Thursday	15 th April	Town Hall	5.00pm	External OSP (Perf Q3)
Tuesday	20 th April	Town Hall	*4.00pm	Planning Applications
Wednesday	21 st April	Town Hall	6.00pm	Council
Monday	3 rd May			Bank Holiday
Thursday	6 th May			Election
Wednesday	19 th May	Town Hall	6.00pm	Annual Council

NUNEATON AND BEDWORTH BOROUGH COUNCIL**PROVISIONAL TIMETABLE OF MEETINGS****2021/2022**

Day	Date	Location	Time	Title
Wednesday	19 th May	Town Hall	6.00pm	Annual Council
Tuesday	25 th May	Town Hall	*4.00pm	Planning Applications
Wednesday	26 th May	Town Hall	6.00pm	Cabinet
Monday	31 st May			Bank Holiday
Wednesday	2 nd June	Town Hall	6.00pm	Licensing
Thursday	10 th June	Town Hall	5.00pm	Internal OSP (Perf Q4 & end of year)
Tuesday	15 th June	Town Hall	*4.00pm	Planning Applications
Wednesday	23 rd June	Town Hall	6.00pm	Cabinet
Tuesday	6 th July	Town Hall	*4.00pm	Planning Applications
Thursday	8 th July	Town Hall	5.00pm	External OSP (Perf Q4 & end of year)
Wednesday	14 th July	Town Hall	6.00pm	Council
Tuesday	20 th July	Town Hall	5.00pm	Audit & Standards
Wednesday	21 st July	Town Hall	6.00pm	Licensing
Tuesday	27 th July	Town Hall	*4.00pm	Planning Applications
Wednesday	28 th July	Town Hall	6.00pm	Cabinet
Monday	30 th August			Bank Holiday
Tuesday	31 st August	Town Hall	*4.00pm	Planning Applications
Wednesday	1 st September	Town Hall	6.00pm	Licensing
Tuesday	7 th September	Town Hall	5.00pm	Audit & Standards
Wednesday	8 th September	Town Hall	6.00pm	Cabinet
Wednesday	15 th September	Town Hall	6.00pm	Council
Thursday	16 th September	Town Hall	5.00pm	Internal OSP (Perf Q1)
Tuesday	21 st September	Town Hall	4.00pm*	Planning Applications
Tuesday	12 th October	Town Hall	*4.00pm	Planning Applications
Wednesday	13 th October	Town Hall	6.00pm	Cabinet
Tuesday	20 th October	Town Hall	6.00pm	Licensing

Day	Date	Location	Time	Title
Thursday	21 st October	Town Hall	5.00pm	External OSP (Perf Q1)
Tuesday	2 nd November	Town Hall	*4.00pm	Planning Applications
Tuesday	9 th November	Town Hall	5.00pm	Audit & Standards
Wednesday	10 th November	Town Hall	6.00pm	Cabinet
Tuesday	16 th November	Town Hall	*4.00pm	Planning Applications
Thursday	18 th November	Town Hall	5.00pm	Internal OSP (Perf Q2)
Wednesday	24 th November	Town Hall	6.00pm	Licensing
Wednesday	1 st December	Town Hall	6.00pm	Council
Thursday	2 nd December	Town Hall	5.00pm	External OSP (Perf Q2)
Tuesday	7 th December	Town Hall	*4.00pm	Planning Applications
Wednesday	8 th December	Town Hall	6.00pm	Cabinet
Monday	27 th December			Bank Holiday
Tuesday	28 th December			Bank Holiday
Wednesday	29 th December			Offices Closed
Thursday	30 th December			Offices Closed
Friday	31 st December			Offices Closed
		2022		
Monday	3 rd January			Bank Holiday
Tuesday	11 th January	Town Hall	5.00pm	Audit & Standards
Wednesday	12 th January	Town Hall	6.00pm	Cabinet
Tuesday	18 th January	Town Hall	*4.00pm	Planning Applications
Wednesday	19 th January	Town Hall	6.00pm	Licensing
Thursday	27 th January	Town Hall	5.00pm	Internal OSP
Wednesday	2 nd February	Town Hall	6.00pm	Cabinet
Thursday	3 rd February	Town Hall	5.00pm	External OSP
Tuesday	8 th February	Town Hall	*4.00pm	Planning Applications
Wednesday	9 th February	Town Hall	6.00pm	Cabinet (Budget & Council Tax Setting)
Monday	14 th February	Town Hall	6.00pm	Council (Budget & Council Tax Setting)
Tuesday	1 st March	Town Hall	*4.00pm	Planning Applications

Day	Date	Location	Time	Title
Wednesday	2 nd March	Town Hall	6.00pm	Licensing
Wednesday	9 th March	Town Hall	6.00pm	Cabinet
Tuesday	15 th March	Town Hall	5.00pm	Audit & Standards
Thursday	17 th March	Town Hall	5.00pm	Internal OSP (Perf Q3)
Tuesday	22 nd March	Town Hall	*4.00pm	Planning Applications
Tuesday	12 th April	Town Hall	4.00pm	Planning Applications
Wednesday	13 th April	Town Hall	6.00pm	Cabinet
Friday	15 th April			Offices closed – Good Friday
Monday	18 th April			Offices closed - Easter Monday
Wednesday	20 th April	Town Hall	6.00pm	Council
Thursday	21 st April	Town Hall	5.00pm	External OSP (Perf Q3)
Wednesday	27 th April	Town Hall	6.00pm	Licensing
Monday	2 nd May			Bank Holiday
Tuesday	3 rd May	Town Hall	*4.00pm	Planning Applications
Thursday	5 th May			Election
Wednesday	18 th May	Town Hall	6.00pm	Annual Council

NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Council – 12 February 2020

From: Returning Officer (Simone Hines)

Subject: **Review of Polling Districts and Polling Places**

1. Purpose of Report

To consider the comments received arising from the polling station review. These comments were not fully explored at the time of the review.

2. Recommendations

- 2.1 as part of the electoral commission's best practice guidance a survey be undertaken on 7 May 2020, polling day, to obtain customer feedback on potential improvements, location/site highlighted in the consultation; and
- 2.2 a further report outlining the conclusions from survey be brought to a future meeting of Council.

3. Specific Issues

3.1 Slough Ward

Prior to 2013 Bedworth Heath College was used as a polling station for Polling Districts SLD, SLF and SLG(2) in the Slough Ward.

Due to Bedworth Heath College closing, electors for the above polling districts were relocated to Alderman Gee Hall, Newdigate Road, Bedworth. There were no suitable alternative venues available. Alderman Gee Hall is not an ideal location. A suggestion was received through the review to use Oakwood Gardens, Margaret Road, Bedworth as a more central location.

Contact has been made with Oakwood Garden to ascertain if they were able and/or willing to have a polling station at their complex. In response, the complex advised that, for security reasons, they are not willing to have security gates open until 10.00pm at night. The venue is not, therefore a suitable location for a polling station.

3.2 Other Responses

The remaining responses received have not highlighted any additional concerns beyond those raised by a number of electors at previous elections. These have been highlighted again by a number of members at Appendix A. With this in mind and in line with Electoral Commission guidance on polling station reviews, it is proposed that a survey be undertaken on 7 May 2020 at the polling stations highlighted in Appendix A

A copy of the questionnaire is attached as Appendix B

3.3 Boundary Review

In 2019 the Council received a letter from the Local Government Boundary Commission for England advising that they would be looking at a boundary review for Nuneaton and Bedworth in the near future. Contact has been made with LGBCE and they have confirmed that it is their intention to have completed a boundary review for the Council in time for the scheduled elections in 2024. A briefing for members will be undertaken in 2022.

Simone Hines
Returning Officer

From: Hancox, Bill [mailto:bill.hancox@nuneatonandbedworth.gov.uk]

Sent: 05 December 2019 13:23

To: DE-VILLE Debbie <debbie.de-ville@nuneatonandbedworth.gov.uk>

Subject: Polling station review / Croft Pool Bedworth

Hello Debbie, following on from the report to Full Council last night and bearing in mind there will be another in January/February can I make another request that we consider using the community room on the Croft Pool estate, Bedworth.

The estate is somewhat isolated in that there is only one road for access and egress and it is difficult to travel on foot from there to The Canons for voting purposes.

To enable realistic numbers it could also include some of the electorate at that end of Newtown Road.

Looking forward to your consideration.

Regards,

Councillor Bill Hancox

Bede Ward

Bedworth

Nuneaton and Bedworth Borough C

From: Watkins, Christopher [mailto:christopher.watkins@nuneatonandbedworth.gov.uk]
Sent: 04 December 2019 15:20
To: DE-VILLE Debbie
Subject: Polling Stations

Hi Debbie,

On another note i would still like to see a Polling station at the Top end of Grove Farm by the Park Lane flats or school if this is possible and i know that i have asked for this in the past but i did not see any reference to my past enquires?

Thanks

Chris

Cllr Chris Watkins
Cabinet Member for Housing and Communities

Kingswood Ward
41 Westbury Road,
Stockingford,
Nuneaton,
Warwickshire,
CV10 8HG

Tel: 024 7637 5844
Mob: 07974 697420

DE-VILLE Debbie

From: SHEPPARD Jill
Sent: 05 August 2019 13:43
To: DE-VILLE Debbie
Subject: polling station review

Debbie

Abbey councillors would like to add an additional polling station using the church corner of fife st and Clarence st
To take in part of queens rd upper, high st pool bank st, and part of ABF Clarence st, duke st little duke st fife st
mount st mount st passage and York st

The reason is only a small amount vote from those areas, residents have told us, as they have to cross very busy
roads with pedestrian lights a long way from where the polling station is situated priory court,

The church building is an ideal location

Regards jill and nell

DE-VILLE Debbie

From: Gran, Sebastian <seb.gran@nuneatonandbedworth.gov.uk>
Sent: 18 September 2019 14:47
To: Elections
Subject: Re: Review of Polling Districts, Polling Places

Dear Debbie

Please find my response to this review.

I would recommend amalgamating polling districts along county division boundaries, for example in Heath, Part of HEE and part of HEF which share polling stations are split across bedworth west and north.

It would make sense for the split parts to become new polling districts, for example HEE being the name of the polling district that votes at Newdigate School within bedworth north and HEF being the polling district that votes at newdigate school within bedworth west.

Likewise, small polling districts such as SLD and SLF in slough ward which vote at alderman gee hall but are within bedworth north could merge with SLH as they share both a division and a polling station with each other. These are just examples, but abolishing and merging tiny polling districts could help from an administrative point of view.

I hope this helps

Cllr. Seb Gran

DE-VILLE Debbie

From: Longden, Barry <barry.longden@nuneatonandbedworth.gov.uk>
Sent: 11 August 2019 22:15
To: Elections; WATKINS Christopher; Caroline Phillips
Subject: Re: Review of Polling Districts, Polling Places

Hi
In Kingswood Ward there is a problem on Grove Farm.
People living at the top end of the estate, Ansley Rd, Brendon Way, Thorntons Way, Cromdale Close, will not walk down to the Community Centre on Kingswood Rd, and they certainly won't walk back up, especially anyone with walking difficulty.
There was Polling Station outside Park Lane School, but it was a portacabin and not DDA compliant. I understand that the Banardo Childrens Centre located in Park Lane will be willing to host elections. On this basis I request that this option be brought into use for the 2020 elections.
We may need to met to determine the extent of the coverage as not all properties mentioned above need to be shifted to the new station if it goes ahead.
Best regards
Barry

To whom it may concern,

Thank – you for giving me the opportunity to respond to the Polling District review which is currently being carried out by Nuneaton and Bedworth Borough Council. I am responding to this consultation as the Ward Councillor for the Bedworth Slough Ward.

Firstly, the three polling stations within my ward are convenient for members of the public. They are easily accessible, provide disabled access, offer car parking near to the polling station and also have toilets available for the electorate. However, in order to provide an even better service for our residents and inevitably to increase voter turnout, there are a number of recommendations I wish to make to this Consultation.

Slough Ward-

Regarding to polling districts SLG (2) and SLD (1), many residents have state they find it difficult to reach Alderman Gee Hall. Therefore, I would like to make a suggestion that the polling station for these two polling districts be moved to Oakwood Gardens Housing Complex on Margaret Avenue. Such move would make It easier for elderly residents in Oakwood Gardens itself and the surround streets (such as Linden Lea) to reach the polling station to vote.

Bede Ward-

At present residents in the BEH polling district, areas like the Gatehouse and Gibson Crescent vote at the Bedworth Civic Hall. It would make far more sense for this polling district to be covered by the Grove Housing Complex on Tower Road. The Grove is already used as a polling station for other polling districts within the Bede Ward. Residents in this polling district will most probably have to drive or walk past the Grove complex to reach the Civic Hall. In addition, if you go to vote at the Civic Hall, voters will need to pay £1 to park, the Grove Housing complex offers free parking. Therefore, I believe it makes common sense for the BEH polling district to use the Grove Housing complex as its polling station.

Poplar Ward-

Regarding polling district POC in the Poplar Ward, at present residents in this polling district use the Bedworth Civic Hall as a polling station. With similarly reasons to the BEH district, It would make far more sense for this polling district to use the Pine Tree Community Library on Pine Tree Road, this polling station is used currently for polling districts in the Bede ward. It would make it far easier for residents on streets such as Acacia Crescent and Tewkesbury Drive to get to the Pine Tree Community Library both by foot and by car. In addition, if you go to vote at the Civic Hall, voters will need to pay £1 to park. The Pine Tree Community library offers free parking.

Heath Ward-

Polling district HEA is awkwardly shaped, there may be historical reasons for this. However, elderly residents in Bede village currently find it difficult to walk down to Goodyers End Lane to get to Goodyers End Primary School. It would make far more sense to use Bede Village itself as a polling station. Firstly, using the Bede Village communal rooms over a School

means less disruption to parents who have to find alternative arrangements for children on election days. Secondly, Bede Village would provide parking, where at present parking around Goodyers End Primary school is an increasing issue for local residents. I feel the Elections Department should explore Bede Village as a potential new location for a polling station.

I hope you will consider some of the ideas I have presented in this document, and look forward to the final report being sent to Full Council in December. I'd also like to take the opportunity to thank the staff in the Elections Department for their continued hard work.

Yours sincerely,

(Originally signed)

**Councillor Kyle Evans,
Bedworth Slough Ward,
Nuneaton & Bedworth Borough Council.**

Polling Station Questionnaire

Please take a moment to complete this very low cost way to help monitor and improve our service to you. We regularly review our Polling Places to ensure they are situated in accessible venues a convenient distance from the majority of voters within each polling district.



Polling Station Name & Address:				
Is your polling station a suitable venue?	<i>Strongly agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Strongly disagree</i>
Are there any improvements you would like to see there?				
Is there a different venue you would prefer it to be in? (this venue would need to be within your polling district and available for hire)				
Did you know that election information, results and application forms are on the Council website?	<i>Yes</i>	<i>No</i>	<i>Haven't needed to look</i>	<i>Don't use internet</i>

If you need additional space to comment on the above, please use the other side of this form.

ONLY give us your details below if you need us to respond to your comments.

Name:

.....

Address:

.....

.....

Phone/email:

.....

.....

Privacy Statement

We will only use the information you give us for electoral purposes. We will look after personal information securely and we will follow the Data Protection legislation. We will not give personal information about you or any personal information you may provide on other people to anyone else or another organisation unless we have to by law.

The lawful basis to collect the information in this form is that it is necessary for the performance of a task carried out in the public interest and exercise of official authority as vested in the Electoral Registration Officer as set out in Representation of the People Act 1983 and associated regulations.

The Electoral Registration Officer is the Data Controller. You should refer to the Privacy Notice at www.nuneatonandbedworth.gov.uk for further information relating to the processing of personal data.

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 10.3(b) below) on any matter in relation to which the Council has powers or duties, or which affects the Borough. For questions from Members, Paragraph 4.9.4 shall apply. 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 paragraphs 10.2 or 10.3 shall be asked unless: (a) the question has been delivered in writing to the Head of Paid Service and Leader before 12 noon on the day before 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 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.

4.10.5 Time Limit

The maximum time for Members' questions shall not normally exceed 24 minutes, and the Mayor shall have discretion to limit the questions as he or she shall see fit.

4.10.6 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.

4.10.7 Any question or statement which cannot be dealt with because of lack of time will be dealt with in writing in accordance with paragraph 10.5 (c).

4.10.8 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