



24 January 2019

CABINET – 4 FEBRUARY 2019

A meeting of Cabinet will be held at 6.00pm on Monday 4 February 2019 in the Council Chamber, Town Hall, Rugby.

Adam Norburn
Executive Director

A G E N D A

PART 1 – PUBLIC BUSINESS

1. Minutes.
To confirm the minutes of the meeting held on 7 January 2019.
2. Apologies.
To receive apologies for absence from the meeting.
3. Declarations of Interest.
To receive declarations of –
 - (a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;
 - (b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and
 - (c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a prejudicial interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of Warwickshire County Council or any Parish Council is classed as a non-pecuniary interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.

4. Question Time.

Notice of questions from the public should be delivered in writing, by fax or e-mail to the Executive Director at least three clear working days prior to the meeting (no later than Tuesday 29 January 2019).

Growth and Investment Portfolio

Nothing to report to this meeting.

Corporate Resources Portfolio

5. General Fund Revenue and Capital Budget 2019/20 and Medium Term Financial Plan 2019-23.
6. Finance and Performance Monitoring 2018/19 – Quarter 3.
7. Capital Strategy/Treasury Management 2019/20 – 2021/22.
8. Review of Civic Funerals.

Communities and Homes Portfolio

9. Draft Housing Revenue Account Capital and Revenue Budgets 2019/20 and Medium Term Financial Plan 2019-23.
10. Terms of Reference for the Grants Working Party.

Environment and Public Realm Portfolio

Nothing to report to this meeting.

The following item contains reports which are to be considered en bloc subject to any Portfolio Holder requesting discussion of an individual report

11. Approval of National Non-Domestic Rates Return – NNDR1 2019/20.
12. Urgent Decision under Delegated Powers – Approval of the Brandon and Bretford Neighbourhood Development Plan.
13. Motion to Exclude the Public under Section 100(A)(4) of the Local Government Act 1972.

To consider the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of information defined in paragraphs 1 of Schedule 12A of the Act.”

PART 2 – EXEMPT INFORMATION

Growth and Investment Portfolio

Nothing to report to this meeting.

Corporate Resources Portfolio

1. Nomination for Civic Honour – Report of Civic Honours Working Party.

Communities and Homes Portfolio

Nothing to report to this meeting.

Environment and Public Realm Portfolio

Nothing to report to this meeting.

The following item contains reports which are to be considered en bloc subject to any Portfolio Holder requesting discussion of an individual report

Nothing to report to this meeting.

Any additional papers for this meeting can be accessed via the website.

The Reports of Officers (Ref. CAB 2018/19 – 8) are attached.

Membership of Cabinet:

Councillors Stokes (Chairman), Mrs Crane, Lowe, Mrs Parker and Ms Robbins.

CALL- IN PROCEDURES

Publication of the decisions made at this meeting will normally be within three working days of the decision. Each decision will come into force at the expiry of five working days after its publication. This does not apply to decisions made to take immediate effect. Call-in procedures are set out in detail in Standing Order 15 of Part 3c of the Constitution.

If you have any general queries with regard to this agenda please contact Claire Waleczek, Democratic Services Team Leader (01788 533524 or e-mail claire.waleczek@rugby.gov.uk). Any specific queries concerning reports should be directed to the listed contact officer.

If you wish to attend the meeting and have any special requirements for access please contact the Democratic Services Officer named above.

Agenda No 5

AGENDA MANAGEMENT SHEET

Report Title:	Draft General Fund Revenue & Capital Budgets 2019/20 and Medium Term Financial Plan 2019-23
Name of Committee:	Cabinet
Date of Meeting:	4 February 2019
Report Director:	Head of Corporate Resources and CFO
Portfolio:	Corporate Resources
Ward Relevance:	All Wards
Prior Consultation:	Cabinet 7 January 2019, 3 December 2018 and 8 October 2018
Contact Officer:	Mannie Ketley - Head of Corporate Resources & Chief Financial Officer
Public or Private:	Public
Report Subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies):
(CR) Corporate Resources	<input checked="" type="checkbox"/> To provide excellent, value for money services and sustainable growth
(CH) Communities and Homes	<input checked="" type="checkbox"/> Achieve financial self-sufficiency by 2020
(EPR) Environment and Public Realm	<input checked="" type="checkbox"/> Enable our residents to live healthy, independent lives
(GI) Growth and Investment	<input checked="" type="checkbox"/> Optimise income and identify new revenue opportunities (CR)
	<input checked="" type="checkbox"/> Prioritise use of resources to meet changing customer needs and demands (CR)
	<input checked="" type="checkbox"/> Ensure that the council works efficiently and effectively (CR)
	<input checked="" type="checkbox"/> Ensure residents have a home that works for them and is affordable (CH)
	<input checked="" type="checkbox"/> Deliver digitally-enabled services that residents can access (CH)
	<input checked="" type="checkbox"/> Understand our communities and enable people to take an active part in them (CH)
	<input checked="" type="checkbox"/> Enhance our local, open spaces to make them places where people want to be (EPR)

- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background: Under the Local Government Act, an authority must set a council tax and balanced budget, giving 14 days' notice of the council tax level prior to the date of billing. The Council must set a budget before 11th March of each year.

Summary: This is the third Draft Budget Report for 2019/20, contained within which are key decisions and the fees and charges review for Members' consideration.

Financial Implications: As detailed in the main report.

Risk Management Implications: The Council has a statutory duty to set an annual General Fund Revenue budget that will enable it to determine the level of council tax.

Environmental Implications: There are no environmental implications arising from this report.

Legal Implications: There are no legal implications arising from this report.

Equality and Diversity: There are no Equality and Diversity implications arising from this report. It may be necessary later in the budget process to carry out Equality Impact Assessments of the implications of any service changes.

Recommendation:

- (1) The updated draft General Fund Revenue and Capital Budget position for 2019/20 be considered alongside the Council's 2019-23 Medium Term Financial Plan and recommend this to be considered by Full Council on 26th February 2019;

- (2) Cabinet approves the proposed Fees & Charges for 2019/20 as set out at Appendix 7, with delegated responsibility to the Joint Committee for the Crematorium fees and charges;
- (3) Cabinet considers the key decisions identified to date and identifies other policy or service changes required for consideration to deliver a balanced budget for 2019/20; and
- (4) Cabinet considers the Reserves Summary at Appendix 8.

Reasons for Recommendation: This updated overview of the Council's General Fund revenue and capital budgets needs to be considered by Cabinet as part of the budget setting process and to ensure its affordability and contribution to the Council's ambition to achieve self-sufficiency by 2020.

The report includes proposals for savings and income generation which require consideration for inclusion in the 2019/20 draft budgets and the medium term.

Agenda No 5

Cabinet - 4 February 2019

Draft General Fund Revenue & Capital Budget 2019/20 and Medium Term Financial Plan 2019-23

Public Report of the Head of Corporate Resources and CFO

Recommendation

- (1) The updated draft General Fund Revenue and Capital Budget position for 2019/20 be considered alongside the Council's 2019-23 Medium Term Financial Plan and recommend this to be considered by Full Council on 26th February 2019;
- (2) Cabinet approves the proposed Fees & Charges for 2019/20 as set out at Appendix 7, with delegated responsibility to the Joint Committee for the Crematorium fees and charges;
- (3) Cabinet considers the key decisions identified to date and identifies other policy or service changes required for consideration to deliver a balanced budget for 2019/20;
- (4) Cabinet considers the Reserves Summary at Appendix 8.

1. Introduction

This is the fourth budget report from the Head of Corporate Resources in her capacity as the Council's Chief Financial Officer.

The first, second and third budget reports were presented to Cabinet on 8th October 2018, 3rd December 2018 and 4th January 2019. The purpose of this report is to present an updated draft General Fund revenue position (see sections 3 to 7), a capital position (see section 8) for 2019/20 and onwards, plus an updated Medium Term Financial Plan (see section 9), since the report to Cabinet in January. The report also presents the proposed 2019/20 fees and charges for Cabinet's approval, as detailed at Appendix 7.

This will be Cabinet's last opportunity to consider the updated draft revenue and capital General Fund budgets, before to final budget setting and council tax determination at Full Council on 26th February 2019.

This report includes appendices as follows;

- **Appendix 1** is a summary position for 2019/20 detailing the various changes made to the 2018/19 original budget.
- **Appendix 2** identifies by service the proposed growth items for 2019/20. This appendix also shows whether corresponding savings (Appendices 3 or 4) have been identified to offset the growth.
- **Appendix 3** identifies by service the proposed income increases (-) or shortfalls (+) for 2019/20.
- **Appendix 4** identifies by service proposed savings items for 2019/20. The appendix also shows where savings have been used to offset proposed growth (Appendix 2) and details are provided.
- **Appendix 5** identifies the draft capital programme for 2019/20 onwards based on scheme proposals from budget officers, along with proposed funding splits, revenue implications, and a projection for capital receipts usage.
- **Appendix 6** shows the initial Medium Term Financial Plan 2019-23.
- **Appendix 7** provides the proposed Fees & Charges for 2019/20
- **Appendix 8** shows a summary forecast of Reserves
- **Appendix 9 and 9a** – Waste and Recycling Options with EqIA

2. Budget Context and Development

2.1. Overview and Context

The initial budget report to Cabinet in October 2018 presented a draft 2019/20 budget showing a budget variance of approximately £346,000. Following this, in the reports to Cabinet in December 2018 and January 2019 a number of additional budget savings were included in the draft budget leaving an overall variance of £242,000, as reported to Cabinet in January.

The following table shows the subsequent changes made to the budget, since the January report, which has facilitated the presentation of a balanced draft budget for 2019/20.

Main Changes - 2019/20	£'000
January 2019 Budget Variance (-) Surplus	502
Less Key Decisions December Cabinet (-) Surplus	-260
Budget Variance January Cabinet 2019	242
Additional Levy Account Surplus Grant - Provisional settlement	-36
One off grant transferred to reserves	36
Update on other governments service grants	-18
Reduction in the budget required following the pay review	-40
Increase in charges allocated to HRA following final review of Internal recharges	-102
Changes to Council Tax Collection Fund	-29
Changes to Council Tax Collection Fund - transferred to reserves	29
Changes to Business Rates Collection Fund	126
Changes to Business Rates Collection Fund - transferred from reserves	-126
Over-achievement of VR Saving Note 1	-15
Disestablishment of vacant posts across services	-46
Transfer of surplus to reserves	6
Other Minor charges	-27
Total Budget Variance 2019/20 (-) Surplus	0

Table 1 – Summary of budget changes January to February Budget Report

Note 1: A report will be presented to Council on 5th February 2019, seeking approval of proposed voluntary redundancies. This report has assumed those voluntary redundancies will be approved and the financial savings have therefore been incorporated into the draft budget.

However, it should be noted that this balanced budget position is still dependant on the approval of the key service and policy decisions. The revised key decision summary can be found in Section 6, providing a total £210,000. Should members decide not to approve these key decisions, then alternative saving or income items will need to be identified and approved in their place.

2.2. Voluntary Redundancies and Vacant Posts

Senior Management Team invited staff to express an interest in voluntary redundancy or reducing their hours. All expressions of interest have now been considered by SMT with recommendations to be reported to Full Council on 5th February 2019 for approval. These redundancies will provide annual year-on-year savings of £65,000 and have been recognised in this draft budget. It is also proposed that the one-off redundancy costs be met from anticipated underspends against the 2018/19 budget.

Consequently, the delivery of £50,000 of savings from voluntary redundancies, as reported to Cabinet previously, has now been removed from the list of key decisions included at section 6 of this report and included within the savings Appendix 4.

In addition to the savings from proposed redundancies, further savings of £46,000 from the disestablishment of vacant posts across services has been included within the portfolio budgets, with any one-off redundancy costs to be financed through anticipated underspends against the 2018/19 budget. Should members not wish not to continue to explore these options then other alternative savings will need to be identified to deliver a balanced budget.

2.3. Financial Self-Sufficiency

The achievement of financial self-sufficiency by 2020 is one of the Council's overarching corporate priorities is to. This is defined as:

It is necessary to remove reliance on arbitrary funding from central government which doesn't sufficiently keep pace with changes in local factors and the needs of the population. Instead, sources of income for the Council need to result from decisions the organisation makes; be that from service charges, local taxation, economic growth or investment income. Alongside income, it is equally important to be able to directly control the Council's expenditure; by reducing exposure to changes from other organisations and ensuring procurement is smart.

To aid the achievement of this priority, a suite of policies was approved by Council within the 2018-22 Medium Term Financial Strategy. The adoption of these polices are reflected in this draft budget and are directly referred to within the relevant sections of this report. As explained in previous reports, the two most fundamental policies relate to the utilisation of excess New

Homes Bonus and Retained Business Rates, with a tapered reduction of the proportion of these income streams included in the base budget.

2.4. Section 25 Statement Chief Financial Officer on the robustness of the budget estimates and the adequacy of the reserves

Section 25 of the Local Government Act 2003 places a duty on the chief finance officer (the Head of Corporate Resources) to inform the council on the robustness of the estimates and the adequacy of the reserves alongside fulfilling the requirement to provide councillors with assurance that the budgets have been compiled appropriately and that the level of reserves is adequate. It is a statutory requirement that councillors must consider this when considering and approving a budget.

In informing an opinion the Section 151 Officer is mindful of other associated statutory safeguards designed to prevent the authority from over-committing itself financially:

- Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the chief financial officer has personal responsibility for such administration;
- Sections 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget;
- The Prudential Code introduced as part of the Local Government Act 2003 sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates;
- The external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money').

To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the chief finance officer to report to all the authority's councillors, in consultation with the Monitoring Officer, if there is or is likely to be unlawful expenditure or an unbalanced budget.

The Head of Corporate Resources and Chief Financial Officer's opinion will be included within the report to Council on 26th February 2019, as part of the Council Tax determination.

2.5. Local Government Finance Settlement 2019/20

The provisional local government finance settlement was announced 13th December 2018 by the Secretary of State for Housing, Communities and Local Government. Most of the settlement was in line with expectations and followed either from the Technical Consultation that was published in July 2018 or from subsequent announcements.

The following summarises the assumptions which have also been included in the MTFP for future years.

- For New Homes Bonus there is no change to the existing thresholds set at 0.4% of growth, which for Rugby means that the Council does not receive NHB funding for the first 150 homes delivered each year.

- Negative RSG has been cancelled, with the cost funded by the Government.
- This is the last year of the four-year settlement. There have only been minor changes to reflect the provisional business rate multiplier for 2019-20. The provisional multiplier was announced by the Chancellor in the Autumn Budget on 29 October 2018 and is confirmed in this settlement.
- The business rates multiplier is based on the September CPI and it will increase from 48.8p to 49.1p in 2019/20, an increase of 2.29%.
- The additional fifteen 75% business rates pilots were announced, however the Coventry and Warwickshire were not successful for 2019/20.
- Shire district councils will be able to increase Band D by the higher of 3% or £5 and it was confirmed to defer setting any referendum principles for town and parish councils.

Full details can be found following the link below;

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2019-to-2020>

In addition, Consultations on the Fair Funding Review and reform of business rates retention have been released. This will be considered more fully with any recommended changes to the proposed Medium Term Financial Plan included in the February 2019 report to Cabinet.

3. Funding Update

3.1. Business Rates

The main financial risk the Council faces is an impending reset of the current system. Resetting the system would redistribute the business rates growth generated since 2013/14, the point at which the retained rates system was introduced. Earlier this year, the Government consulted on a partial reset, but advice has been subsequently received that the Government are considering a full baseline reset in 2020/21.

The Medium Term Financial Strategy adopted by Council in April, included the following policies in relation to Retained Business Rates:

- The net income budget for business rates will be budgeted as follows:
 - 2018/19 – equivalent to 2020/21 income levels with 50% growth retention
 - 2019/20 – equivalent to 2020/21 income levels with 37.5% growth retention;
- Beyond the reset, it is proposed to gradually reduce the amount of business rates growth included in the base budget, with the long-term aim of only budgeting at the 'funding baseline' in the base budget; and
- After the reset all growth retained above the funding baseline is utilised to make revenue contributions to finance capital expenditure

The objective of these policies was to prepare the Council for the potential financial losses that may be experienced as a result of the reset of the business rates system in 2020/21, by reducing the proportion of business rates income included in the base budget. This tapering of income in the base budget reduces the impact of a potential cliff-edge reduction in funding in 2020/21.

The following table shows how the funding for Business Rates would be allocated over the medium term, with a proportion of business rates included in the base budget and remaining growth contributed to reserves or utilised for as a contribution to cover Capital expenditure and reduce borrowing. This is based on the proposed Full Reset.

Detailed Business Rates funding - Full Reset	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Settlement Funding Assessment (SFA)	-2,376	-2,278	-2,320	-2,364
Business rates above the Baseline Funding Level	-1,765	-640	-598	-554
Transitional Damping Grant	0	-1,069	0	0
Pooling Dividend	-200	0	0	0
Total Retained Income – included in Base Budget	-4,341	-3,987	-2,918	-2,918
Growth - Transferred to Business Rates Equalisation Reserve	-1,928	0	0	0
Growth – Utilised for Revenue Contributions to Capital Expenditure	0	0	-429	-502
Total Income	-6,269	-3,987	-3,347	-3,420

Table 2 – Detailed Business Rates Funding - Full Reset

SFA represents the proposition of business rates authorities need to retain in order to fund core services (along-side other income e.g. council tax, fees and charges). Table 2 shows that;

- SFA income across the MTFP is assumed to remain relatively flat, at an average £2.4m. As previously reported, the Fair Funding Review will be focussing on this area of funding for all authorities which presents a risk to the Council if the assessment of needs is reduced.
- Funding following the reset it is assumed that there will be a significant reduction in the proportion of growth that the authority retains. With total growth dropping from £3.7m in 2019/20 (£1.8m in the base and £1.9m to reserves) to only £640,000 in 2020/21 and an overall business rates funding level to include baseline growth at £2.9m for future years.
- The estimated transitional damping grant totalling £1.1m will be available in 2020/21 to offset the loss in retained growth for one year only which will be subject to review as more intelligence is made available.
- In the later years of the MTFP retained growth will again begin to increase, but that a larger proportion may be diverted from the base budget and utilised to fund to capital expenditure in line with the Medium Term Strategy to reduce overall borrowing for the Council moving forward.

In addition, the Draft Budget proposed for 2019/20 includes a collection fund deficit of £126,000 which will be offset against a transfer from the Business Rates Equalisation Reserve.

3.2. New Homes Bonus

The provisional settlement announced no further changes to the approach taken when calculating the New Homes Bonus(NHB) for 2019/20. Therefore, the allocations for the 2019/20 and beyond into the medium term financial remain largely unchanged from the December report, as set out in the following table.

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £000
New Homes Bonus Allocation	-2,141	-2,426	-3,264	-4,287

Table 3 – New Homes Bonus Forecast

The Medium Term Financial Strategy adopted by Council in April, included the following policies in relation to New Homes Bonus:

A proportion of the Council's NHB allocations be withdrawn from the base budget by the 2020, with the monies ring-fenced for revenue contributions to capital expenditure.

This policy was adopted for the same reasons explained above for business rates; in that in order to achieve financial self-sufficiency, the organisation will need to taper its reliance on New Homes Bonus within its core income budget.

3.3. Revenue Contributions to Capital Outlay

As explained in section 2.2, in the 2018-22 Medium Term Strategy, the Council agreed to taper its reliance on NHB income within the core income budget, in order to achieve financial self-sufficiency.

Any additional allocations over and above the reported figures have been transferred and ringfenced for revenue contributions to capital outlay (RCCO) to reduce the reliance on borrowing to finance the General Fund capital programme.

The amounts included for RCCO are shown within table that follows;

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
RCCO per February 2018	87	266	816	0
In year change from NHB	112	19	22	1,023
Total December 2018	199	285	838	1,023

Table 4 – Revenue Contributions to Capital December

The implication of the adoption of this policy, is that the Council will finance a greater proportion of its capital programme using revenue resources with an equivalent reduction in the proportion of the programme being financed by borrowing.

This has the effect of allowing the Council to eliminate the need to borrow to finance its capital programme by 2022/23. Furthermore, the Council would also be able to make Voluntary Revenue Payments (VRP) from 2022/23 onwards, effectively meaning the Council will be making additional payments over and above its scheduled debt repayment. By continuing to make these overpayments the Council would eliminate the underlying debt for the General Fund by 2032, compared to an existing 2052 timeframe.

The reduction in MRP and Net Cost of Borrowing costs arising from the adoption of this policy is as follows:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Reduction in MRP	0	23	67	116
Reduction in Net Cost of Borrowing	3	10	31	57
Total	3	33	98	173

Table 5 – Reduction in MRP and NCOB arising from RCCO

3.4. Council Tax

The local government settlement confirmed no change to the council tax thresholds for 2019/20 with district councils permitted to increase their Band D equivalent council tax by 2.99% for 2019/20.

This change means District Councils can increase their Band D council tax by the higher of £5 or 2.99%.

As per the policy adopted in the Medium Term Financial Strategy, for financial planning purposes a maximum increase in Council Tax has been assumed at 2.99% for all years.

The Band D equivalent council tax is multiplied by the Tax Base each year to determine the level of Council Tax income included in Appendix 1.

For the December report, the Tax Base for 2019/20 and future years was informed by the Housing Trajectory, produced by the Economic Development Service for the Local Plan. For 2019/20, it was estimated there will be a 2.8% increase in the Tax base compared with 2018/19.

We can now report the 2019/20 Tax Base, expressed as a Band D equivalent, has been calculated as 37,479.74. This compares to 36,271.17 in 2018/19 and is an actual increase of 3.3% compared to the estimate of 2.8%.

The table below provides the Tax Base for 2019/20 and the forecast for future years over the Medium Term Financial Strategy and excludes the impact of the empty homes policy changes approved by Full Council in December.

	2019/20	2020/21	2021/22	2022/23
Tax Base Band D Equivalent	37,479.74	38,590.74	39,423.74	40,338.74
% Increase	3.3%	3.0%	2.2%	2.3%

Table 6 – Summary of Council Tax Base across the MTFP

The key decision of £66,000 relating to the empty homes policy changes is shown separately within Appendix 6 and will be implemented in 2019/20.

The financial benefit of this change will be realised in the Council Tax collection fund surplus at the end of 2019/20. Therefore, £66,000 will be drawn from the budget stability reserve to enable the Council to take the full benefit in budget setting process for 2019/20. This will then

be reimbursed from the budgeted collection fund surplus as part of the budget setting process in 2020/21.

Within the Medium Term Financial Strategy, a policy was approved to establish an earmarked reserve to mitigate possible reduction in the council tax base due to changes in economic conditions. Therefore, it is proposed that the current estimated Collection Fund surplus of £29,000 be allocated to such a reserve with the final figures reported to Full Council in February 2019.

The following table shows the level of council tax income that will be generated from either a 2.99% or £5 increase in the Band D council tax.

	£5 increase	£5 increase	2.99% increase
	2018/19	2019/20	2019/20
Basic Band D Amount	£184.21	£189.21	£189.72
Council Tax Base	36,271.17	37,479.74	37,479.74
Council Tax Requirement	£6,681,512	£7,091,542	£7,110,577
Add Parish Precepts	£756,922	£802,596	£802,596
Total Council Tax	£7,438,434	£7,894,138	£7,913,173
Additional Income in 2019/20		+£455,704	+£474,739

Table 7 – Council Tax Summary

The report to Cabinet presents a draft revenue budget based on a 2.99% increase for 2019/20.

4. Fees and Charges Review

Fees and charges represent a significant source of finance for the Council. The Council receives approximately £5.4m from income from fees and charges each year. It is important that fees and charges are set at an appropriate level to optimise income to the Council.

The Council provides a wide range of services for which fees and charges can be made. However, some of these fees and charges are set at a statutory level such as planning application fees and environmental protection fees. Others are discretionary, and the Council can decide upon an appropriate charge for the service. Examples include bulky waste collections and room hire charges for which the fees and charges are reviewed annually as part of the budget setting process.

Appendix 7 shows the proposed schedule of fees and charges for 2019/20 with the impact of any changes included within income proposals put forward.

The fees and charges have been updated to include any additional increases or new fees introduced during 2018/19 and the crematorium Fees now approved by Joint Committee. The fees and charges published for the Crematorium are subject to approval by the Joint Committee and will be confirmed as part of the final budget in February 2019.

5. Revenue Budget Pressures and Savings

5.1. Growth Assumptions

As previously reported the budget for 2019/20 includes known pressures for the next 12 months and total **£891,110**, with full details given within Appendix 2. Key assumptions and considerations underpinning this projection are:

- Pay award assumptions for all years of MTFP is 2%
- An amount of £100,000 to cover the estimated increase expected for the introduction of the new pay spine as agreed within the NJC pay settlement April 2018-20 .
- Further salary adjustments for 2019/20 based on the latest establishment, salary information and any new appointments
- Increased payment required to meet pension charges as per the 2016 Actuarial valuation, which has been included within the salary adjustments
- Inflation is calculated based on individual proposal information and,
- In Service Pressures
- The Key Decision of **£218,000** previously reported to progress the acquisition fund mitigating the pressures seen within homelessness has now been included to reduce the overall budget growth required for 2019/20. The impact of future years has been included as savings.

The overall growth items have reduced when compared with the December budget report following further review of salaries, inflation and impact of key decision now included in the proposals.

5.2. Income Assumptions

Appendix 3 provides the detailed proposals included within the budget for 2019/20 and totals **£219,300**.

5.3. Savings Assumptions

Appendix 4 provides the detailed proposals included within the budget for 2019/20 and totals **£495,900** excluding key decisions.

5.4. Minimum Revenue Provision

The Treasury Management 2018/19 Progress Report, approved at December Cabinet and Council, contained an amendment to the Council's policy for the Minimum Revenue Provision (MRP), with a change to an 'asset life – annuity' method for the calculation of MRP. The impact of this change has been included in the budget required for 2019/20 of £1,571,000 and

includes the benefit of £525,000 when compared with the 2019/20 budget published in February 2018.

In addition, the latest forecast on expected Capital expenditure for 2018/19 will result in a reduction of MRP required for 2019/20 by £246,000. However, this only provides a one-off benefit to accommodate the slippage in several schemes including Vehicle procurement. Therefore, it is proposed that this is transferred to reserves and then released in 2020/21 in line with the reprofiled expenditure.

5.5. Net Cost of Borrowing

Budgets for Net Cost of Borrowing reflect the latest interest rate forecasts provided by our treasury advisors, Link Asset Services for the period 2019 to 2022. Bank Rate is anticipated to rise to 1.25% by March 2020, to 1.50% by March 2021, and to 2.00% by March 2022. Amounts available for investment reflect available cash-backed General Fund and HRA balances, reserves and receipts forecast elsewhere in this report and in separate HRA budget setting documents. Borrowing requirements reflect the forecast General Fund Capital Financing Requirement (CFR) which tracks capital expenditure not financed from other sources, net of MRP, each year.

At the time of writing this report, the Brexit situation in the UK remains “fluid” with no real certainty as to what may occur in the coming days, weeks and months. Given a range of potential outcomes, the central case for interest rates remains as stated above. Downside risks associated with a “no deal” Brexit may result in a loosening of monetary policy by the Bank of England and consequently a fall in base rate to 0.25% in 2019 and 0.50% in 2020.

5.6. Corporate Adjustments – Portfolio Budgets

The budget approved in February 2018 totalled £15.4m. The reported budget for 2018/19 includes carry-forwards, supplementary budgets and in year adjustments to the corporate savings target.

The total corporate adjustments reported within Appendix 1 of **£519,000** includes the reversal of these one-off adjustments mentioned above, in addition to the following items;

- The net amount of **£367,000** representing the changes in internal recharges applied to the Housing Revenue Account.
- A **£60,000** adjustment to reprofile and defer the savings to be delivered through the digitalisation programme to later in the Medium Term Financial Plan. This recognises the time taken to embed the new ways of working and realign the saving to reflect the implementation of the projects over the next 18 months.
- Following the full implementation of new employee terms and conditions in July 2018, a **£45,000** saving from a reduction in car allowance payments will be recognised in the 2019/20 budget.

In addition, the budget requirement for the pay review, the savings to be generated from voluntary redundancy and digitalisation are held centrally and will be redistributed to services once details have been confirmed.

5.7. Outturn 2018/19

The Quarter 3 Finance and Performance Report presented to Cabinet elsewhere on the Agenda provided an in-year favourable variance of £302,000. This is mainly due to;

- Vacancies across the organisation
- Underspends within MRP and net cost of borrowing.

In addition, the Corporate Savings target of £360,000 has now been successfully achieved through in-year savings with £42,000 being delivered recurrently through improved ways of working via digitalisation.

5.8. Reserves Summary

Appendix 8 provides an overall summary of the forecast reserves over the medium term.

The December Report gave a detailed assessment of balances for the General Fund. Various risks that may affect the Council's finances over the short-medium term have been considered in order to arrive at a prudent level of balances. For the General Fund this is considered to be approximately £2.7m. For some of the larger risks, such as significant reductions in business rates income, cover has only been recommended for a single year as beyond this time period base budgets would have to be adjusted to address any items with a fundamental impact on the Council's financial position.

The Council currently holds £2.8m in General Fund general balances and it is currently anticipated that a further £302,000 will be added to this balance at year-end, providing a forecast for General Fund balances of £3.1 million at 31st March 2018. Therefore, the Council is currently holding General Fund reserves broadly in-line with its risk assessment.

Moreover, additional reserve cover is provided by the Business Equalisation Reserve and the Budget Stability Reserve, which provide risk mitigation against volatility in business rates income and other budgets that are subject to more annual variation.

The overall total earmarked reserves were £5.3m at the end of March 2018 and rise to £6.9m by the March 2022. Whilst services have commitments over the medium term this has been offset by expected transfers into the Business Rates Equalisation Reserve from the estimated forecast growth in net payable business rates.

5.9. Other Significant Items

The section below sets out the other significant income and expenditure items included in the draft 2019/20 budget.

- The Council continues to invest **£150,000** to enhance the Town Centre, to be met from the additional business rate income the Council is budgeting to receive in 2019/20 from the Elliott's Field Retail Park (Phase 1) and Junction 1 Retail Park
- A total of **£260,000** proposals listed within the key decisions table
- A total of **£199,000** set aside for revenue contributions for Capital Outlay (RCCO)

- A further **£1,411,000** transferred into the business rates equalisation reserve to help mitigate the anticipated reduction in funding from business rates reset and fair funding in future years.

6. Key Decisions

As explained above, the 2019/20 draft budget currently presents a deficit of £262,000, however this position includes estimated financial implications that relate to a number of key policy decisions that have been produced and presented by officers for Members' consideration in order to reduce the budget deficit.

These proposed policy changes, their possible financial implications and stage of development are set out in the table below.

Key decisions for consideration 2019/20	£'000
Community Safety - Remove vacant post for Crime and Disorder Manager	45
Pre-Planning application charging for Major Developments	20
Large open spaces – creation of biodiversity areas through reduced frequency of grass cutting	20
Waste and recycling collections urban and rural – Review of non-kerbside collections	125
Total key decisions for consideration	210

Table 8 – Key Decisions for consideration

6.1. Community Safety

The Crime and Disorder manager post has been vacant for several months. In light of operational efficiencies and a more holistic approach to Rugby Borough Council Community Safety activity, it is proposed that the Community Safety Manager post be disestablished, with existing staff members assuming some additional duties. This would ensure that Rugby Borough Council can continue to meet legislative requirements and work alongside the Community Safety Partnership to support several key safety initiatives in line with the Council's corporate priorities. This proposal would save approximately £45,000 in salary costs.

6.2. Pre-Planning application

This reflects an estimated increase in income should the Planning Service introduce a charging schedule for pre-application advice (major applications). Any future charging schedule will need to be benchmarked against neighbouring Local Authorities before being introduced. Planning Officers are investigating the potential for this and other income generation opportunities in more detail. The results of the necessary research/ evidence gathering will be incorporated in to the February budget report.

6.3. Parks and Grounds Maintenance

The Parks and Grounds Manager has reviewed current operations and has identified a proposal that will provide financial and operational savings.

It is proposed to reduce grass cutting on large open spaces within Rugby. Longer grass in some areas is supported by Warwickshire Wildlife Trust and we are working alongside them to create more biodiverse areas. The proposal would be to only cut these areas once a year and treat such spaces as urban meadows. This would generate savings of approximately £20,000 per annum.

6.4. Waste Collection

The Waste and Transport Manager has recently completed an analysis of the current Waste operations and identified two proposals for efficiencies and savings. There is a separate service report at Appendix 9 which provides details and any risks associated with the delivery and time taken to fully implement changes. Whilst the overall full year impact of this saving is currently estimated at £150,000 this may not be fully implemented until June 2019 and therefore has been adjusted to reprofile this across 2019/20 £125,000 and £25,000 in 2020/21.

This transitional amount of £25,000 has been transferred from the budget stability reserve for 2019/20 only.

Proposal 1 - By ceasing doorstep collections within rural areas (affecting approximately 1000 properties) and instead asking the householder to present their bins at the edge of the roadside for collection, it is estimated that this would result in an operational full year saving of approximately £75,000.

Proposal 2 - Using the same approach as with the rural areas, the Council proposes to collect from the kerbside only within all urban areas. This would mean no longer collecting from rear alleyways of approximately 2000 properties in the Borough. Instead bins would need to be presented at the kerbside for collection. This would result in an operational full year saving of approximately £75,000.

7. Draft Portfolio and Corporate Revenue Budgets

The following table shows an overview of the draft revenue budget for 2019/20.

Draft General Fund Revenue Summary 2019/20	2018/19 Revised Budget £	Budget Adjustments £	Salary Adjustments £	2019/20 Draft Budget £
EXPENDITURE:				
Committed Expenditure:				
Growth and Investment	2,820,140	171,620	47,330	3,039,090
Corporate Resources	1,007,550	-302,850	275,220	979,920
Environment and Public Realm	7,070,150	-184,370	129,060	7,014,840
Communities and Homes	1,991,550	108,730	137,710	2,237,990
Executive Director	1,938,510	25,510	-2,890	1,961,130
Key Decisions	0	-210,000	0	-210,000
Corporate Items	-160,000	106,850	0	-53,150
Total Portfolio & Corporate Budgets	14,667,900	-284,510	586,430	14,969,820
Less Capital Charge Adjustment	-2,590,610	-102,100	0	-2,692,710
Less Corporate Savings Target	-200,000	-100,000	0	-300,000
Less Pension (IAS 19) Adjustment	-317,190	-10,520	0	-327,710
Net Portfolio & Corporate Budgets	11,560,100	-497,130	586,430	11,649,400
Net Cost of Borrowing	465,390	-168,480	0	296,910
Revenue Contribution to Capital Outlay	87,500	111,500	0	199,000
Contribution to Reserves - Business Rates	552,620	1,411,000	0	1,963,620
Contribution to Reserves - Council Tax Collection Fund	0	256,000	0	256,000
Minimum Revenue Provision (MRP)	1,929,060	-358,370	0	1,570,690
Parish Council Precepts	760,630	42,326	0	802,956
TOTAL EXPENDITURE	15,355,300	796,846	586,430	16,738,576
Financed by;				
Revenue Support Grant	-152,680	152,680	0	0
Retained Business Rates (Net of Tariff)	-5,459,620	-809,000	0	-6,268,620
New Homes Bonus Funding	-2,105,750	-35,060	0	-2,140,810
Government Grants	-297,000	-24,000	0	-321,000
Council Tax	-7,438,430	-540,626	0	-7,979,056
Collection Fund Surplus(-)/Deficit	111,600	-14,690	0	96,910
Contribution from Reserves	-13,420	-112,580	0	-126,000
TOTAL INCOME	-15,355,300	-1,383,276	0	-16,738,576
OVERALL TOTAL VARIANCE	0	-586,430	586,430	0

Table 9 – Draft Revenue Budget 2019/20

8. Draft Portfolio Capital Budgets

Appendix 5 shows the draft position for the 2019/20 capital programme and onwards. As can be seen, the total capital programme proposed for 2019/20 (including proposed carry-forward budgets from previous years) is **£15.034m**. The overall programme has been updated to include the creation of the Housing Acquisition Fund (Cabinet, Dec 2018) Excluding grants and other contributions, this leaves a net **£10.284m** of expenditure to be financed in 2019/20.

Following discussion at the 7th January 2019 meeting of Cabinet and subsequent call in, budget allocations previously proposed for the maintenance of the Great Central Way bridges will be subject to further consideration by the Whittle Overview and Scrutiny Committee on 11th March 2019. The proposed carry forward from previous years will be used to fund any works scheduled for 2019/20.

Forecast General Fund capital receipts are £2.188m at the beginning of financial year 2019/20. As noted in previous years it is not considered prudent to allow overall General Fund capital receipts to be depleted, as this will subject the Council to interest rate risks in future years and in emergency situations. In other words, it maintains the stability currently provided by retaining a reasonable level of capital receipts as any future borrowing would have to be undertaken at the interest rates available in the market at the time.

A revised Asset Management Strategy 2018-23 was approved by Council in April 2018 and has informed the proposals included within the programme relating to the General Fund asset portfolio.

In addition, The Prudential Code for Capital Finance in Local Authorities has recently been updated by the Chartered Institute of Public Finance and Accountancy (CIPFA). The code sets out that in order to demonstrate that an authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Capital Strategy incorporating the Investment and Treasury Management Strategy report for 2019/20 is included within this agenda.

The additional revenue financing implications of this second draft programme for 2019/20 to 2022/23 upon future years are as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Additional Minimum Revenue Provision (MRP)	137	124	69
Additional Interest Costs	128	250	225
Total	265	374	294
Cumulative Effect			933

Table 10 – MRP Forecast

As noted in section 3.3, additional allocations from New Homes Bonus have been transferred and ringfenced for revenue contributions to capital outlay (RCCO) to reduce the reliance on borrowing to finance the General Fund capital programme.

The implication of the adoption of this policy, is that the Council will finance a greater proportion of its capital programme using revenue resources with an equivalent reduction in the proportion of the programme being financed by borrowing.

This has the effect of allowing the Council to remove the need to borrow to finance its non-housing capital programme by 2022/23. Furthermore, the Council would also be able to make Voluntary Revenue Provision from 2022/23 onwards, effectively meaning the Council will be overpaying its current debt repayment schedule. Consequently, the Council would eliminate its General Fund underlying debt holding by 2032, compared to an existing 2052 timeframe.

For the 2019/20 draft General Fund revenue budget MRP is estimated at **£1.571m** (2018/19 **£1.929m**) resulting from historical borrowing and the additional borrowing undertaken to finance the 2018/19 capital programme as approved by Council in February this year.

9. Medium Term Financial Plan 2019-2023

Appendix 6 shows a forecast position for the next 4 financial years with a balanced budget for 2019/20.

	2019/20 £ 000's	Partial Reset - 25% growth retained			Full Reset		
		2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's	2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's
Changes in Funding							
Business Rates	-809	2,282	315	-80	2,283	640	-72
BRR Collection Fund Surplus(-)/Deficit	-73	-126	0	0	-126	0	0
Revenue Support Grant	153	-0	0	0	-0	0	0
Government Grants	-24	65	26	23	65	26	23
Council Tax	-475	-450	-414	-447	-450	-414	-447
CT Collection Fund Surplus(-)/Deficit	-8	29	0	0	29	0	0
New Homes Bonus Funding	-35	-285	-838	-1,023	-285	-838	-1,023
Contribution from Reserves & Balances	-113	126	0	0	126	0	0
Total Changes in Funding	-1,383	1,640	-911	-1,528	1,641	-586	-1,520
Corporate Items							
Contribution to Business Rates Equalisation Reserve	1,411	-1,777	435	80	-1,777	429	72
Contribution to/from Earmarked Reserve Council Tax	256	-250	0	0	-250	0	0
RCCO	112	285	838	1,023	285	838	1,023
Other Corporate Adjustments	-1,003	182	-247	-54	182	-247	-54
Total Changes to Corporate Items	775	-1,560	1,025	1,049	-1,560	1,019	1,041
Growth							
Salaries	586	530	540	549	530	540	549
Remodelling of pay scales	100	0	0	0	0	0	0
Inflation Provision	56	10	10	10	10	10	10
Growth	791	0	0	0	0	0	0
Total Service Pressures	1,533	540	550	559	540	550	559
Total Funding and Growth Pressures	925	620	665	81	621	984	81
Income Generation	-219	-40	-80	0	-40	-80	0
Savings	-496	-140	-265	108	-140	-265	108
Revised Variance	210	440	320	189	441	639	189
Key Decisions	-210	-275	0	0	-275	0	0
Revised Variance	0	165	320	189	166	639	189

Table 11 – Medium Term Financial Plan 2019/20 to 2022/23

Beyond 2019/20, the MTFP shows additional budget variances that need to be considered in future years, assuming that prior budget deficits have been addressed. This MTFP has been presented on the assumption that the Council will either see the impact of a partial or full reset. Therefore, under a partial reset there is a cumulative deficit of approximately **£700,000** across the four years MTFP, which increases to **£1.1m** under a full reset scenario.

Table 12 shows the changes when compared with the previous year. The key movements presented in the MTFP can be explained as follows:

- Increased funding in Council Tax at a rate of 2.99% over the medium term
- A Contribution from the Business Rates Reserve to offset the Business rates deficit of £126,000 in 2019/20.
- Increased contribution to the Business Rates Equalisation Reserve for the excess growth in Business Rates Funding, above sustainable funding levels.
- Additional funding anticipated, over and above the MTFP reported in February 2018, for New Homes Bonus is transferred to RCCO for all years of the medium term.
- The Corporate items include the necessary adjustments to the Minimum Revenue Provision and Net Cost of Borrowing

Other major assumptions within the MTFP:

- NHB and Business Rates growth based on planned growth as informed by Economic Development officers.
- The adverse impact of changes in government funding resulting from the fair funding review and business rates baseline reset in 2020/21.
- The financial saving of £297,000 during the period 2020/21 through to 2022/23 from the proposal to approve a housing acquisition fund to mitigate the pressures in the cost of temporary accommodation in addressing homelessness. (within Key Decisions)
- A £10 increase in the Garden Waste subscription charge in 2020/21 to generate £200,000 extra income in 2020/21.
- Salary budgets amended to reflect 2% pay awards applied in each year of the MTFP.

10. Conclusion

A balanced budget is now presented for 2019/20. However, this budget position is still dependant on the approval of a number of key policy or service decisions, as identified at section 6. Should members not be approved these key decisions, then other saving or income items will be required to balance the budget.

Furthermore, it needs to be noted that due to the current challenging financial environment further savings still need to be identified in order to deliver a balanced budget across the medium term. In particular, the high level of uncertainty around retained Business Rates and the potential for a reset of the system presents a considerable risk to the Council's finances from 2020/21 onwards.

Name of Meeting: Cabinet

Date of Meeting: 3 December 2018

Subject Matter: Draft General Fund Revenue and Capital Budget 2019/20

Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY **YES** **NO**

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink
	Draft General Fund Revenue and Capital Budget 2019/20 – Cabinet 3 rd January 2019
	Draft General Fund Revenue and Capital Budget 2019/20 – Cabinet 3 rd December 2018
	Draft General Fund Revenue and Capital Budget 2019/20 – Cabinet 8 th October 2018

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Draft General Fund Revenue Summary 2019/20	2018/19 Original Budget £	In Year Adjustments £	2018/19 Revised Budget £	Corporate Adjustments £	Total Inflation £	Salary Adjustments £	Proposed Growth Items (Appendix 2) £	Proposed Income Adjustments (Appendix 3) £	Savings (Appendix 4) £	2019/20 Draft Budget £
EXPENDITURE:										
Growth & Investment	2,820,140	313,840	3,133,980	-291,170	5,210	47,330	24,740	144,000	-25,000	3,039,090
Corporate Resources	1,007,550	29,250	1,036,800	-359,860	7,190	275,220	35,410	-8,460	-6,380	979,920
Environment & Public Realm	7,070,150	-81,650	6,988,500	-79,730	24,710	129,060	319,750	-286,340	-81,110	7,014,840
Communities & Homes	1,991,550	-19,290	1,972,260	-84,840	18,720	137,710	408,320	-43,450	-170,730	2,237,990
Executive Director's Office	1,938,510	22,290	1,960,800	28,230	0	-2,890	0	-25,010	0	1,961,130
Key Decisions			0	0	0	0	0	0	-210,000	-210,000
Corporate Items	-160,000	41,290	-118,710	75,300	0	0	102,890	0	-112,630	-53,150
PORTFOLIO EXPENDITURE	14,667,900	305,730	14,973,630	-712,070	55,830	586,430	891,110	-219,260	-605,850	14,969,820
Less Capital Charge Adjustment	-2,590,610	0	-2,590,610	-102,100	0	0	0	0	0	-2,692,710
Less Corporate Savings Target (including salary voids)	-200,000	0	-200,000	0	0	0	0	0	-100,000	-300,000
Less Pension Adjustment	-317,190	0	-317,190	-10,520	0	0	0	0	0	-327,710
NET PORTFOLIO EXPENDITURE	11,560,100	305,730	11,865,830	-824,690	55,830	586,430	891,110	-219,260	-705,850	11,649,400
Net Cost of Borrowing	465,390	0	465,390	-168,480	0	0	0	0	0	296,910
Minimum Revenue Provision (MRP)	1,929,060	0	1,929,060	-358,370	0	0	0	0	0	1,570,690
Revenue Contribution to Capital Outlay	87,500	0	87,500	111,500	0	0	0	0	0	199,000
	0	0	0	0	0	0	0	0	0	0
Contribution to Business Rate Equalisation Reserve	552,620	0	552,620	1,411,000	0	0	0	0	0	1,963,620
Contribution to Earmarked Reserve Council Tax	0	0	0	256,000	0	0	0	0	0	256,000
TOTAL EXPENDITURE (before Parish Precepts)	14,594,670	305,730	14,900,400	426,960	55,830	586,430	891,110	-219,260	-705,850	15,935,620
Parish Council Precepts and Council Tax Support	760,630	0	760,630	42,326	0	0	0	0	0	802,956
TOTAL EXPENDITURE	15,355,300	305,730	15,661,030	469,286	55,830	586,430	891,110	-219,260	-705,850	16,738,576
INCOME:										
Revenue Support Grant	-152,680	0	-152,680	152,680	0	0	0	0	0	0
Retained Business Rates (Net of Tariff)	-4,907,000	0	-4,907,000	566,000	0	0	0	0	0	-4,341,000
Retained Business Rates Additional Growth	-552,620	0	-552,620	-1,375,000	0	0	0	0	0	-1,927,620
New Homes Bonus Funding	-2,105,750	0	-2,105,750	-35,060	0	0	0	0	0	-2,140,810
Government Grants	-297,000	0	-297,000	-24,000	0	0	0	0	0	-321,000
Council Tax	-7,438,430	0	-7,438,430	-474,626	0	0	0	0	0	-7,913,056
Council Tax - Empty Property	0	0	0	0	0	0	0	0	-66,000	-66,000
Collection Fund Surplus(-)/Deficit	111,600	0	111,600	-14,690	0	0	0	0	0	96,910
Contribution from Reserves & Balances	-13,420	0	-13,420	-112,580	0	0	0	0	0	-126,000
TOTAL INCOME	-15,355,300	0	-15,355,300	-1,317,276	0	0	0	0	-66,000	-16,738,576
VARIANCE ON 2018/19 BUDGET	0	305,730	305,730	-847,990	55,830	586,430	891,110	-219,260	-771,850	0

Proposed Growth Items 2019/20

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Growth & Investment (G&I)			
Planning Services			
Salaries	20,740	Increase in hours to full time of the Principal Planning Officer following the retirement of the Development and Enforcement Lead Officer.	N
Enforcement Budget	1,000	A new budget to cover direct planning enforcement as it occurs to provide a more streamlined service.	N
Benn Hall			
Publicity & Marketing	3,000	The service has seen a rise in the overall financial performance of the Benn Hall, this has meant that the Marketing budget is now not sufficient to attract the calibre of acts to the Benn Hall. It is anticipated that increasing this budget will have an overall impact to future income generation.	N
Sub Total (G&I)	24,740		

Corporate Resources (CR)			
Corporate Property Administration			
Electricity	22,340	Increase required due to the increased charges across the Corporate Property Assets.	N
Water	1,210	Budget realignment to reflect the actual expenditure on water across the Corporate Property Assets.	N
Corporate Property Management			
Asset Management expenses	4,860	Properties now need to be valued every four years instead of the current valuation of every five years in accordance with external audit guidance. The increased cost represents the additional valuation costs that will be incurred for each financial year.	N
Human Resources			
Consultancy Costs	7,000	One-Off request for 7 days of Consultancy Costs for the development of I-Trent (HR and Payroll) system for work in regard to the expenses and time management modules. It is expected that this investment will deliver digitalisation and other efficiency savings.	N
Sub Total (CR)	35,410		

Proposed Growth Items 2019/20

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Environment & Public Realm (E&PR)			
Miscellaneous Highways Services			
Salaries	15,040	Service redesign to increase staff resources to provide more resilience and productivity within the service.	N
Training	4,390	The budget for training has been reviewed for current and prospective staff and increased in-line with requirements.	N
Hackney Carriages and Private Hire Vehicles			
Other Agencies	1,730	Budget required for Disclosure and Barring Service (DBS) checks with the DVLA for hackney carriage licensing.	N
Licensing			
External contractor	1,400	Following new legislation introduced in October 2018, it is anticipated that there will be an increase in vet costs.	Y
Safety and Resilience			
Maintenance of Equipment	1,600	A budget is required for annual calibration of health and safety equipment such as the drugs and alcohol meter, HAV meter and sound meter.	N
Waste Collection and Recycling			
Recycling Gate Fee	240,000	The recycling gate fee can be volatile and varies monthly. It is anticipated that there will be an increase in costs based on the decline of the market	Y
Salaries	21,490	It is proposed to replace two part-time Refuse Driver posts with full-time posts when the post holders retire; this will reduce agency spend.	Y
Postage and Distribution	4,600	Increase in postage budget for garden waste following a review of expenditure	Y
Works Services Unit and Depot			
Gas	1,000	Increased budget to accommodate rising gas prices and following a review of spend-to-date	Y
Trade Waste			
Fuel	18,500	Budget for fuel increased following review of spend since taking on new customers and additional round	N
Materials	10,000	Budget for bins realigned with anticipated increase in customer demand (see appendix 3)	Y
Sub Total (E&PR)	319,750		

Proposed Growth Items 2019/20

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Communities & Homes (C&H)			
Customer and Information Services			
Photocopying	14,260	Increased cost of new printing contract.	N
Software Maintenance	1,500	Building growth into the budget for next year based on costs on contracts confirmed by ICT	N
Hardware Maintenance	3,000	Building growth into the budget for next year based on costs on contracts confirmed by ICT	N
Software/Equipment Licences	42,500	The estimated growth required for IT contracts resulting from the Microsoft Licence Renewal for 3 years from January 2019	Partial
Software Maintenance	43,480	The estimated growth required for IT contracts following the implementation of the Corporate Asset Management System and new Planning system.	Partial
Community Advice and Support Team			
Provision of temporary accommodation for homelessness	295,260	As reported to Cabinet in October, the outlying pressure to the Council for both 2018/19 and 2019/20 is due to increased demand for temporary accommodation arising from homelessness. This now includes the Housing Acquisition key decision to reduce costs by £218,000 as reported to Cabinet in December 2018.	N
Public Transport and Car Parking	1,000	Increased to reflect current and estimated expenditure	N
External Legal Costs	4,400	Increase in the budget to reflect the increase in legal challenges relating to the provision of temporary accommodation.	N
Woodside Park			
Electricity	1,800	Reflects the current usage within the service	N
Non SLA charges	1,120	A direct charge is made to this service for the estimated number of hours of chargeable time from the HRA. The increase represents a recalculation of officer time chargeable based upon estimated time and salaries	N
Sub Total (C&H)	408,320		
Corporate Items			
Changes to Salary Scales	100,000	Estimated increase required for the NJC Pay Review	N
Other minor budget pressures	2,890	Minor pressures requested below £1,000	N
Sub Total (Corporate Items)	102,890		
OVERALL TOTALS	891,110		

Proposed Income Adjustments 2019/20

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Growth & Investment (G&I)		
Planning Services		
Fees & Charges	-13,800	Creation of an increased budget for Con29 Local Authority Searches for property acquisitions, following income received in previous years.
Planning Fees	-3,300	Increase following the introduction of a 20% increase in January the budget for Decision Notices and Discharge of Conditions.
Benn Hall		
Bar Sales	-10,000	The service has seen an increased amount of events which produce a high bar take, these events are likely to continue and as a result the income expectation has been increased to reflect this, the expenditure budget has also been increased with the net position £10,000.
Event Tickets	-3,000	The Benn Hall's business plan was revised in 2018 with an increased focus on targeting specific audience groups. Subsequently the service has seen an increase in income from the of events organised and run by the Council. It is proposed that this additional income of approximately £3,000 is invested in additional marketing activities to promote further income growth in the future.
Hall of Fame		
Net Income	186,000	It is proposed that the attraction's anticipated income be amended to align with the income achieved in previous years.
Sport & Recreation		
On Track Income	-3,520	Increased income following revised charges to account for employee expenses and a CPI rate applied.
Play Rangers Income	-8,380	Increased income following revised charges to account for employee expenses and a CPI rate applied.
Sub Total (G&I)	144,000	
Corporate Resources (CR)		
Corporate Property Administration		
Reimbursements	-5,460	Increased to reflect the estimated recharges due from Warwickshire County Council for their use of the Art Gallery and Museum building.
Reimbursements	-3,000	New income for receivable feed in tariffs for electricity generated from solar panels.
Sub Total (CR)	-8,460	
Environment & Public Realm (E&PR)		
Car Parks and Parking		
Reimbursements-Outside Scope	-20,000	Following new ownership of Clock Towers Car Park, a budget of £20,000 has been included to reflect actual income received in recent years.
Car Park Season Tickets	-16,500	Increased level of demand for Season Tickets seen in 2018/19.
Cemeteries		
Plaques/Donations	-500	Increase based on analysis of historic trend.
Interments	-19,330	Increased based on analysis of historic trend.
Memorial License Fee	-1,180	Memorial license fee realigned based on analysis of historic trend.
Exclusive right of burial	-5,710	Income budget for exclusive right of burial realigned based on analysis of historic trend
Purchases for Resale	1,000	Purchases for resale budget realigned based on review of historic spend; this is recovered via resale income.
Crematorium		
Net surplus	-34,540	Anticipated increase in Rugby Borough Council's share of the operational surplus for the crematorium. The detailed budget will be approved by the Rugby and Daventry
Hackney Carriages and Private Hire Vehicles		
Reimbursements- court costs awarded	-1,000	Budget included for legal costs income;
Regulatory Services		
Fees and Charges (Standard)	-17,000	Anticipated income for investigate Fly Tipping works done by Rugby Borough Council for Harborough District Council.
Fees and Charges (Standard)	-20,000	Anticipated income for Investigate Fly Tipping works done by Rugby Borough Council for Warwick District Council.
Street Cleansing		
Fees and Charges (standard)	-3,000	Increase in income from private works based on volume of 2017/18 customers
Waste Collection and Recycling		
Fees and Charges (Garden Waste income)	-37,000	Increased budget for Garden Waste income based on 18/19 performance.
Recycling Credits	-69,400	Increased budget for recycling credits income claimed from Warwickshire County Council based on prior year analysis.
Fees and Charges (Bulky Waste)	-16,300	Increase in Bulky Waste income anticipated following analysis of 17/18 performance and price increase following CPI increase.
Fees and Charges (Refuse and G/W)	35,500	Following analysis of 17/18, reduction in budget for haulage income claimed from Warwickshire CC as actual costs have been less than budget.
Trade Waste		
Fees and Charges	-61,380	Income from Trade Waste customers increased based on review of increased numbers.
Sub Total (E&PR)	-286,340	

Proposed Income Adjustments 2019/20

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Communities & Homes (C&H)		
Housing Welfare Services		
Fees & Charges	-40,000	Following increased marketing around the Lifeline service it is estimated that the service will be able to generate £40,000 extra income.
Woodside Park		
Rental Income	-3,450	Pitch fees increased by an estimate for inflation of 3%
Woodside Park		
Sub Total (C&H)	-43,450	
Executive Director's Office (EDO)		
Communications		
Income from other Local Authorities	-20,000	Income following officer time charged for service provided to another local authority.
Legal Services		
Reimbursements - Outside Scope	-5,010	Increased due to higher than anticipated income in last three years for Legal services.
Sub Total (EDO)	-25,010	
OVERALL TOTALS	-219,260	

Proposed Savings 2019/20

Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
Growth & Investment (G&I)			
Hall of Fame			
Repairs & Maintenance	-25,000	The removal of the repairs and maintenance budget following historic spend and anticipated future spend.	N
Sub Total (G&I)	-25,000		
Corporate Resources (CR)			
Public Offices			
Building cleaning	-2,690	Budget realigned to match expenditure in previous years.	N
Public Conveniences			
Rates	-3,690	Following the Budget announcement in October 2018, the government will introduce 100% business rate relief on public lavatories to help keep them open.	N
Sub Total (CR)	-6,380		
Environment & Public Realm (E&PR)			
Head of Environment and PR			
Training Fees	-9,280	Training budget not required centrally as services to have individual budgets where training is required.	N
Miscellaneous Highways Services			
Vehicle Repair and Maintenance	-2,290	Budget realigned to match expenditure in previous years.	N
Fuel	-1,300	Budget realigned to match expenditure in previous years.	N
Contract Hire	-3,000	Budget realigned to match expenditure in previous years.	N
Materials	-5,000	Budget realigned to match expenditure in previous years.	N
Hackney Carriages and Private Hire Vehicles			
External Legal Costs	-1,300	Budget realigned to match expenditure in previous years.	N
Land Drainage			
External Contractor	-10,000	Budget realigned to match expenditure in previous years. This is a reactive service.	N
Parks, Recreation Grounds & Open Spaces			
Salaries	-5,520	Net savings from a vacant part-time gardener post being replaced by a full-time seasonal post.	N
Service redesign	-20,880	This is the net saving following the decision taken to outsource the Council's Emergency Planning and Business Continuity work to CSW, instead of recruiting to a vacant post.	N
Civil Contingencies	-3,540	Budget has been reduced based on previous spend, however, a small budget will still remain to provide	N
Vehicle Repair and Maintenance	-3,000	Budget realigned to match expenditure in previous years.	
Vehicle Fuel Costs	-3,000	Budget realigned to match expenditure in previous years.	
Works Services Unit and Depot			
Electricity	-12,000	Budget realigned to match expenditure in previous years.	N
Water Services	-1,000	Budget realigned to match expenditure in previous years.	N
Sub Total (E&PR)	-81,110		

Proposed Savings 2019/20			
Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
Communities & Homes (C&H)			
Community Grants			
Community Grants	-1,500	Reduction in grant allocation following the removal of a service level agreement.	N
Community Advice and Support Team			
Postage	-3,000	Estimated saving based upon the increased usage of electronic communication.	N
Housing Benefit Payments			
Housing Benefit Overpayments	-166,230	Based on data gathered as part of the formal 2018/19 mid-year subsidy submission to government at the end of August, there has been a reduction in the overall level of debt associated with Housing Benefit payment, primarily due to the transition to Universal Credit. Consequently, the bad provision relating to the collection of Housing Benefit overpayments is forecast to be reduced by £166,000 compared to budgeted estimates.	N
Sub Total (C&H)	-170,730		
Corporate Items			
Other minor savings	-1,800	The aggregate of various minor savings, which are individually below £1,000	N
Disestablishment of posts	-45,810	Following service reviews salary savings of £45,810 from disestablished posts have been found.	N
Voluntary Redundancies	-65,020	Voluntary Redundancies proposed to be approved at special Council on 5th February.	
Corporate Savings Target	-100,000	Following the review of in year savings the annual Corporate saving target has been increased to a total of £300,000.	N
Sub Total (Corporate Items)	-212,630		
OVERALL TOTALS	-495,850		

Portfolio / Scheme Name	Capital						Revenue Implications					
	Gross Expenditure			External Contributions / Earmarked Reserves		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
	2019/20	2020/21	2021/22	2019/20	Future Years	2019/20	Future Years	2019/20*	Full Year	2019/20*	Full Year	2020/21
	1	2	3	4	5	6	7	8	9	10	11	12
£	£	£	£	£	£	£	£	£	£	£	£	£
Growth & Investment												
	0	0	0	0	0	0	0	0	0	0	0	0
Communities & Homes												
ICT Refresh Programme - Desktop	72,100	72,100	80,500	72,100	152,600	0	0	0	0	0	0	0
ICT Refresh Programme - Infrastructure	115,000	130,000	95,000	22,500	142,070	92,500	82,930	0	0	1,160	2,310	17,630
ICT Refresh Programme - AV Equipment	22,500	7,500	7,500	22,500	15,000	0	0	0	0	0	0	0
Disabled Facilities Grants	615,800	615,800	615,800	585,800	1,171,600	30,000	60,000	0	0	380	750	1,200
	825,400	825,400	798,800	702,900	1,481,270	122,500	142,930	0	0	1,540	3,060	18,830
Environment & Public Realm												
Vehicle Replacement ¹	400,000	400,000	400,000	0	0	400,000	800,000	0	0	5,000	10,000	53,500
Open Spaces Refurbishments - Whinfield Play Area	161,520	161,520	161,520	50,000	100,000	111,520	223,040	0	0	1,390	2,790	6,360
Open Spaces Refurbishments - Safety Improvements	50,000	50,000	50,000	0	0	50,000	100,000	0	0	630	1,250	2,850
Open Spaces Refurbishments - Street Furniture	40,000	40,000	40,000	0	0	40,000	80,000	0	0	500	1,000	2,280
Memorial Safety	30,000	30,000	30,000	0	0	30,000	60,000	0	0	380	750	1,210
Crematorium Car Park Extension ³	80,000	0	0	40,000	0	40,000	0	0	0	500	1,000	1,620
Great Central Way Bridge Repairs	0	165,000	165,000	0	0	0	330,000	0	0	0	0	0
Purchase of Waste Bins ²	87,500	87,500	87,500	87,500	175,000	0	0	0	0	0	0	0
	849,020	934,020	934,020	177,500	275,000	671,520	1,593,040	0	0	8,400	16,790	67,820
Corporate Resources												
Housing Acquisitions Fund	12,900,000	0	0	3,870,000	0	9,030,000	0	0	0	112,875	361,200	33,200
Corporate Property Enhancement	435,000	361,000	340,000	0	0	435,000	701,000	0	0	5,440	10,880	17,570
Woodside Park LPG	25,000	0	0	0	0	25,000	0	0	0	310	630	2,260
	13,360,000	361,000	340,000	3,870,000	0	9,490,000	701,000	0	0	118,625	372,710	50,770
Total Draft GF Capital Programme	15,034,420	2,120,420	2,072,820	4,750,400	1,756,270	10,284,020	2,436,970	0	0	128,565	392,560	137,420

¹ Vehicle replacement programme under review

² To be financed via S106 developer contributions / direct revenue contributions.

³ Subject to initial approval by the Rainsbrook Crematorium Joint Committee

⁴ Half year is included

MTFP 2019/20 - 2022/23	2019/20 £ 000's	Partial Reset - 25% growth retained			Full Reset		
		2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's	2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's
BASE EXPENDITURE BUDGET bf	15,662	16,738	15,099	16,009	16,739	15,099	15,684
Corporate Adjustments	-825	-40	0	0	-40	0	0
BASE BUDGET	14,837	16,698	15,099	16,009	16,699	15,099	15,684
Growth Items							
Salary Adjustments	586	530	540	549	530	540	549
Inflation	56	10	10	10	10	10	10
Other Service Pressures	891	0	0	0	0	0	0
Total Growth	1,533	540	550	559	540	550	559
Savings							
Efficiency, Transformation & Service Redesign	-496	-140	-265	108	-140	-265	108
Key Decision	-210	-275	0	0	-275	0	0
Income Generation	-219	-40	-80	0	-40	-80	0
Budget Variance (-) Deficit	0	-165	-320	-189	-165	-639	-189
Total Savings	-925	-620	-665	-81	-620	-984	-81
Corporate Items							
Changes to Net Cost of Borrowing	-169	-15	41	-77	-15	41	-77
Changes to MRP	-358	217	-308	3	217	-308	3
Contribution to/from Reserves BRR	1,411	-1,777	435	80	-1,777	429	73
Contribution to/from Reserves	256	-250	0	0	-250	0	0
RCCO	112	285	838	1,023	285	837	1,023
Change in Parish Precept	42	20	20	20	20	20	20
Total Changes in Corporate items	1,293	-1,519	1,025	1,049	-1,520	1,019	1,042
Total Net Expenditure	16,738	15,099	16,009	17,537	15,099	15,684	17,205
Financed By							
BASE INCOME BUDGET							
Grants							
Other Government Grants	-321	-257	-231	-208	-257	-231	-208
New Homes Bonus	-2,141	-2,426	-3,264	-4,287	-2,426	-3,264	-4,287
Business Rates							
Settlement Funding Assessment (SFA)	-2,376	-2,278	-2,320	-2,364	-2,278	-2,320	-2,364
Growth included in Base Budget	-1,765	-959	-917	-873	-640	-598	-554
Damping	0	-750	0	0	-1,069	0	0
Pooling Dividend	-200	0	0	0	0	0	0
Retained Growth to BRR Equalisation Reserve	-1,928	0	-435	-515	0	-429	-502
Collection Fund Surplus(-)/Deficit	126	0	0	0	0	0	0
Contribution from BRR Equalisation Reserve	-126	0	0	0	0	0	0
Council Tax							
Tax Base & 2% price increase	-7,845	-8,218	-8,549	-8,906	-8,218	-8,549	-8,906
£5 increase in the Band D each year	-24	-73	-121	-169	-73	-121	-169
2.99% increase compared to a £5 increase in a Band D	-45	-71	-106	-150	-71	-106	-150
Key Decision - Empty Homes	-66	-66	-66	-66	-66	-66	-66
Collection Fund Surplus (-)/Deficit	-29	0	0	0	0	0	0
TOTAL	-16,738	-15,099	-16,009	-17,537	-15,099	-15,684	-17,205

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
GROWTH & INVESTMENT				
Rugby Art Gallery and Museum (RAGM)				
Floor One Gallery artist exhibition hire 2 weeks	122.40	VAT at 20%	Excluded	Yes
Public Liability Insurance administration fee (Floor One Gallery)	25.50	VAT Exempt	N/A	Yes
Children's workshops - 2 hours	8.20	VAT Exempt	N/A	Yes
Children's workshops - 10 - 4	20.40	VAT Exempt	N/A	Yes
Birthplace of the Game school workshop	76.50	VAT Exempt	N/A	N/A
Tripointium - Roman Britain school workshop	95.00	VAT Exempt	N/A	N/A
Roman Craft school workshop	205.00	VAT Exempt	N/A	N/A
Arts Award 'Discover in a Day' school session per child	7.00	VAT Exempt	N/A	N/A
Sketch book journey school workshop	95.00	VAT Exempt	N/A	N/A
Historic loans box hire	5.10	VAT at 20%	N/A	Yes
Loans boxes off site with facilitator	102.00	VAT at 20%	Excluded	Yes
Archaeological archive deposits, per box	306.00	VAT at 20%	Excluded	Yes
Centre supervisor to stay after hours (hourly rate)	40.80	VAT at 20%	Excluded	Yes
Gallery Assistant (per hour)	30.60	VAT at 20%	Excluded	Yes
<u>Education Room 1 - hire charges</u>				
Per hour	23.00	VAT Exempt	N/A	Yes
National Charities/Education	18.40	VAT Exempt	N/A	Yes
Local Groups/Charities/Education	16.10	VAT Exempt	N/A	Yes
<u>Education Room 2 - hire charges</u>				
Per hour	16.30	VAT Exempt	N/A	Yes
National Charities/Education	13.10	VAT Exempt	N/A	Yes
Local Groups/Charities/Education	11.40	VAT Exempt	N/A	Yes
Note: Room Hire				
FULL day room hire offers a 5% discount				
Refreshments can be provided at an additional cost please contact service directly for details				
Rugby Open fee - single artwork	7.10	VAT at 20%	Excluded	Yes
Rugby Open fee - three artworks	18.40	VAT at 20%	Excluded	Yes
Rugby Open late collection of artwork fee	num of £10.00 per work	VAT at 20%	Excluded	No
Rugby Open commission on artwork sales	25% commission	VAT at 20%	N/A	No
The Benn Hall				
Monday - Thursday per hour				
Main Hall	30.00	VAT Exempt	N/A	No
Rokeby Room	20.00	VAT Exempt	N/A	No
Bar	15.00	VAT Exempt	N/A	No
Whole Building	50.00	VAT Exempt	N/A	No
Friday - Sunday & Bank Holidays per hour				
Main Hall	60.00	VAT Exempt	N/A	No
Rokeby Room	35.00	VAT Exempt	N/A	No
Bar	20.00	VAT Exempt	N/A	No
Whole Building	100.00	VAT Exempt	N/A	No
Use of Kitchen Facilities for the provision of:-				
Tea/Coffee/Squash/Biscuits	35.00	VAT Exempt	N/A	No
Snacks and light catering per hour	15.00	VAT Exempt	N/A	No
All other catering per hour	20.00	VAT Exempt	N/A	No
NOTE:				
(a) Preparation time, if required, must be arranged at time of booking. Please note this cannot always be guaranteed.				
(b) Christmas Eve, New Year's Eve and New Year's Day will be charged at weekend rate.				
Sports and Recreation				
Use of Community Sports Coach	16.50	VAT Exempt	N/A	Yes
Use of a Play Ranger	16.50	VAT Exempt	N/A	Yes
Use of On Track Sports Leaders				
Schools (PPA/Lunch)	16.50	VAT Exempt	N/A	Yes
Sport Specific	20.00	VAT Exempt	N/A	No
Mentoring	20.00	VAT Exempt	N/A	No
Small Group Work	30.00	VAT Exempt	N/A	No
Youth Club	17.00	VAT out of Scope	N/A	No
Sport Leader Courses	30.00	VAT Exempt	N/A	No
Boxing Leader Courses	30.00	VAT Exempt	N/A	No
NOTE: The above charges will be reviewed in the new academic year.				
FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019				

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Planning Services				
Plan Printing – Size A0 + (per copy)	8.20	VAT at 20%	Included	Yes
Size A0	6.10	VAT at 20%	Included	Yes
Size A1	4.10	VAT at 20%	Included	Yes
Size A2	2.00	VAT at 20%	Included	Yes
Size A3	1.00	VAT at 20%	Included	Yes
Size A4	1.00	VAT at 20%	Included	Yes
Planning Decision Notices (including appeal decisions) Per copy	15.30	VAT at 20%	Included	Yes
Miscellaneous Documentation				
First copy from each file	1.00	VAT at 20%	Included	Yes
Subsequent copies (black and white) per side	0.10	VAT at 20%	Included	Yes
Subsequent copies (colour) per side	0.20	VAT at 20%	Included	Yes
Core Strategy June 2011	Free		N/A	
Local Development Scheme	Free		N/A	
Supplementary Planning Documents				
Housing Needs SPD March 2012	Free		N/A	
Planning Obligations March 2012	Free		N/A	
Sustainable Design and Construction March 2012	Free		N/A	
Discharge of conditions				
Householder	34.00	VAT out of Scope	N/A	No
Other	116.00	VAT out of Scope	N/A	No
Building Control				
From 1st April 2015 regulatory activities will be undertaken by Warwick District Council as a shared partnership. Please visit www.warwickdc.gov.uk for further information.				
Land Charges				
Full Local Search LLC1 (no VAT) & Con29 (+VAT)	109.00	VAT at 20%	Included	No
Additional Questions	36.00	VAT at 20%	Included	No
Additional Parcels each	25.00	VAT at 20%	Included	No
LLC1 (search only)	84.00	VAT out of Scope	N/A	No
Con29	12.00	VAT at 20%	Included	No
Con29 O - Optional Enquiries, except ones listed below	14.40	VAT at 20%	Included	No
Con29 O - Optional Enquiry 22		VAT at 20%	Included	
Personal Search - free to view in reception		N/A	N/A	
Other CON29 questions				
Question 1.1 j, k, l	16.50	VAT at 20%	Included	No
Question 2	32.40	VAT at 20%	Included	No
Question 3.7	14.40	VAT at 20%	Included	No
Question 3.8	4.80	VAT at 20%	Included	No
Question 3.9	5.10	VAT at 20%	Included	No
Question 3.11	15.60	VAT at 20%	Included	No
Question 3.13	1.44	VAT at 20%	Included	No
We DO NOT answer Questions 4 & 16				
FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019				

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
ENVIRONMENT & PUBLIC REALM				
Bereavement Services				
Adult rates apply to persons aged 18 or over				
Rainsbrook Crematorium				
Cremation Fees inclusive of Organist fee, scattering fee & Environmental Levy				
Child - up to and including 17 years of age	no charge	VAT Exempt	N/A	No
Adult - service 9.00am - 4.45pm	820.00	VAT Exempt	N/A	Yes
Adult - no service 8.15am - 8.45am, 5.00pm - 5.30pm	550.00	VAT Exempt	N/A	No
Cremation of body parts (<i>Free of charge if we cremated deceased</i>)	200.00	VAT Exempt	N/A	No
Weekend Surcharge				
Saturday cremation 10.00am - 12 noon - strict rotation	575.00	VAT Exempt	N/A	No
Saturday interment of cremated remains (am only)	150.00	VAT Exempt	N/A	No
Saturday scattering of cremated remains (am only)	75.00	VAT Exempt	N/A	No
Scattering of ashes when cremation has taken place elsewhere	50.00	VAT Exempt	N/A	No
Supply of casket (with name plate)	60.00	VAT Exempt	N/A	No
Forwarding cremated remains by post (inland)	price on application	VAT at 20%	Included	N/A
Audio recording of services	50.00	VAT at 20%	Included	No
DVD recording of service	65.00	VAT at 20%	Included	No
Subsequent copies	40.00	VAT at 20%	Included	No
Slideshow / Visual Tribute	50.00	VAT at 20%	Included	No
Webcast	75.00	VAT at 20%	Included	No
Use of Rainsbrook Ceremony Room (for a memorial service- no cremation)	250.00	VAT Exempt	N/A	Yes
Bearer's fee (advance booking only)	35.00	VAT Exempt	N/A	Yes
Memorial flowers medium	40.00	VAT at 20%	Included	No
Memorial flowers large	60.00	VAT at 20%	Included	No
Late arrival / overrun per 15 minutes	250.00	VAT Exempt	N/A	Yes
Book of Remembrance				
Two line entry	75.00	VAT at 20%	Included	No
Five line entry	125.00	VAT at 20%	Included	No
Five line entry with emblem	175.00	VAT at 20%	Included	No
Eight line entry	195.00	VAT at 20%	Included	No
Eight line entry with emblem	225.00	VAT at 20%	Included	No
Memorial Tree (Bronze Plaque only, 10 year lease)	395.00	VAT at 20%	Included	No
Memorial Barbican Plaque (5 year lease)	375.00	VAT at 20%	Included	No
Memorial Bench (Bronze Plaque only, 10 year lease)	250.00	VAT at 20%	Included	No
Desk Vase Tablet Package (50 year lease, inclusive price)	2,250.00	VAT Exempt	N/A	No
Memorial Kerb (5 year lease)	250.00	VAT at 20%	Included	No
Tree of Life (10 year lease)	450.00	VAT at 20%	Included	No
Memorial Boulder (10 year lease)	575.00	VAT at 20%	Included	No
Armed Forces Wall (Inclusive of Regimental Badge, perpetuity)	250.00	VAT at 20%	Included	No
Reservation fee: Granite Memorial Annual Charge for Space only	100.00	VAT at 20%	Included	No
Rugby Borough Council Cemeteries				
Croop Hill Cemetery, Whinfield Cemetery, Watts Lane Cemetery, Clifton Road Cemetery				
Burial Charges				
Non-residents of Rugby are subject to triple fees in respect of Exclusive Right of Burial and Interment fees				
Purchase of Exclusive Right of Burial for 50 years				
Adult's Plot	1,200.00	VAT out of Scope	N/A	No
Reservation Fee	500.00	VAT out of Scope	N/A	No
Adult's Plot - Watts Lane Green Burial area (single depth only)	1,200.00	VAT out of Scope	N/A	No
Reservation Fee	500.00	VAT out of Scope	N/A	No
Interment fees - preparation and backfilling of grave				
Babies & children up to 17yrs – all areas including Cloverleaf Memorial Garden	no charge	VAT out of Scope	N/A	No
Adult grave	800.00	VAT out of Scope	N/A	No
Stepped single grave - for burial without coffin	900.00	VAT out of Scope	N/A	No
Weekend surcharge - Saturday 9.30am to 12.00 noon (when agreed)	650.00	VAT out of Scope	N/A	No
Construction of vault	price on application	VAT out of Scope	N/A	No
Interment of Cremated Remains in a Cemetery				
Purchase of Exclusive Right of Burial for 50 yrs				
Cremation plot for 2 caskets (most plots are this size)	500.00	VAT out of Scope	N/A	No
Cremation plot for 4 caskets (Croop Hill Cemetery)	700.00	VAT out of Scope	N/A	No
Reservation Fee	350.00	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Rugby Borough Council Cemeteries				
Interment fees - preparation and backfilling of grave				
Babies and children up to 17 yrs – all areas including Cloverleaf Memorial Garden	no charge	VAT out of Scope	N/A	No
Adult - interment of cremated remains	350.00	VAT out of Scope	N/A	No
Adult - strewing of cremated remains under turf	200.00	VAT out of Scope	N/A	No
Scattering of ashes on the surface is not permitted				
Use of Cemetery Chapel at Watts Lane or Croop Hill Cemeteries	100.00	VAT out of Scope	N/A	No
Use of Rainsbrook Ceremony Room (no cremation)	250.00	VAT Exempt	N/A	Yes
Cemetery Memorial Tree with bronze plaque	275.00	VAT out of Scope	N/A	No
Cemetery Memorial Bench	price on application	VAT at 20%	N/A	No
Family History Search - Detailed genealogy research	25.00	VAT out of Scope	N/A	No
Exhumation	price on application	VAT out of Scope	N/A	No
Plaque on Whinfield Memorial Scrolls	150.00	VAT out of Scope	N/A	No
Plaque on Watts Lane Memorial Book	150.00	VAT out of Scope	N/A	No
Plaque on Child in Hand Memorial at Clifton Road	150.00	VAT out of Scope	N/A	No
Memorial Permit Fees				
Main Cemetery Areas (purchased graves only)				
Headstone (including any base slab) Up to 5'6" high x 3'0" wide x 1'6" deep	250.00	VAT out of Scope	N/A	No
Vase Up to 1'3" high and 1'0" diameter	150.00	VAT out of Scope	N/A	No
Plaque/tablet - Main Cemetery Section Up to 2'0" (h) x 2'6" (w) x 1'6" (d)	150.00	VAT out of Scope	N/A	No
Plaque/tablet - Whinfield Cremation Section Up to 2'0" (h) x 2'0" (w) x 2'0" (d)	150.00	VAT out of Scope	N/A	No
Plaque/tablet - Watts Lane Cremation Section Up to 2'0" (h) x 2'3" (w) x 2'0" (d)	150.00	VAT out of Scope	N/A	No
Plaque/tablet - Croop Hill Cremation Section Up to 1'6" (h) x 1'6" (w) x 3'0" (d)	150.00	VAT out of Scope	N/A	No
Added inscription to any memorial	150.00	VAT out of Scope	N/A	No
Replacement of existing memorial where no amendment to previous approval	Nil	N/A	N/A	No
Kerbstones including headstone (where permitted)	450.00	VAT out of Scope	N/A	No
Kerbstones only (where permitted)	300.00	VAT out of Scope	N/A	No
Oversized headstone	500.00	VAT out of Scope	N/A	No
NB: plot sizes vary - mason to check plot dimensions before submitting application				
Contact Bereavement Services 01788 533715				
Pest Control				
		Pay by Invoice		
Domestic Pest Control				
Rats - up to 3 visits	51.00	VAT at 20%	Included	Yes
Mice - up to 4 visits	87.00	VAT at 20%	Included	Yes
Bedbugs - up to 2 visits	117.00	VAT at 20%	Included	Yes
Fleas - up to 2 visits	97.00	VAT at 20%	Included	Yes
Cockroaches - up to 3 visits	117.00	VAT at 20%	Included	Yes
Wasps, Bees and Hornets - up to 2 visits				
General charge	77.00	VAT at 20%	Included	Yes
Additional wasp nest (no concessions)	10.00	VAT at 20%	Included	No
Commercial Pest Control				
Wasps (non contract)	102.00	VAT at 20%	Included	Yes
Wasps (contract)	82.00	VAT at 20%	Included	Yes
Additional wasp nests - £10.00		VAT at 20%	Included	No
		Pay per hour		
Minimum charge 1 hour, charged per 30 minutes thereafter.				
Bedbugs, fleas and cockroaches	102.00	VAT at 20%	Included	Yes
Rats and Mice	97.00	VAT at 20%	Included	Yes
Contracts (additional treatment over and above agreed contracts terms and conditions)				
Bedbugs, fleas and cockroaches	82.00	VAT at 20%	Included	Yes
Rats and Mice	77.00	VAT at 20%	Included	Yes

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase	VAT Type	VAT Included	Increase Applied
	£			
Miscellaneous				
Fumigation void premises	82.00	VAT at 20%	Included	Yes
House clearance	51.00	VAT at 20%	Included	Yes
Key collections (Rugby area only)	51.00	VAT at 20%	Included	Yes
Reclamation of Stray Dogs				
Untagged				
First Offence	95.00	VAT out of Scope	N/A	No
Subsequent Offence	110.00	VAT out of Scope	N/A	No
Tagged				
First Offence	70.00	VAT out of Scope	N/A	No
Subsequent Offence	90.00	VAT out of Scope	N/A	No
Kennel costs (per day)	13.20	VAT at 20%	Included	No
Note: A day includes part days and is applied from the day of acceptance into the kennel. Micro-chipping is a service provided by the Councils Stray Dog Kennels Provider at £15 per dog (inclusive of VAT)				
Drain Clearance (per drain)				
Office hours - domestic only (limited to 30 minutes only)	78.00	VAT at 20%	Excluded	No
Concession Criteria - ONLY households in receipt of Housing Benefit or Council Tax Benefit EXCLUDING single person occupancy relief.				
Waste Collection				
Bulky Waste Collection - up to 3 items	26.00	VAT out of Scope	N/A	Yes
Each Additional Item:				
Up to a maximum of 6	6.00	VAT out of Scope	N/A	Yes
Over 6 household items or any number of garden items (sheds, play equipment)				
Cancellation Fee	3.50	VAT out of Scope	N/A	No
Domestic Garden Waste Collection (annual subscription)- charge per bin	40.00	VAT out of Scope	N/A	No
Abandoned Vehicles - removal	105.00	VAT at 20%	Excluded	No
Abandoned Vehicles - disposal	50.00	VAT at 20%	Excluded	No
Licences				
House to House Licence	Nil	VAT out of Scope	N/A	No
Pet Shops/Selling of animals				
1 Year Licence	195.00	VAT out of Scope	N/A	No
2 Year Licence	320.00	VAT out of Scope	N/A	No
3 Year Licence	467.00	VAT out of Scope	N/A	No
Renewal	145.00	VAT out of Scope	N/A	No
Animal Boarding Establishments (large establishments- 7 and over)				
1 Year Licence	210.00	VAT out of Scope	N/A	No
2 Year Licence	367.00	VAT out of Scope	N/A	No
3 Year Licence	525.00	VAT out of Scope	N/A	No
Renewal	160.00	VAT out of Scope	N/A	No
Animal Boarding Establishments (small establishments- 6 and under)				
1 Year Licence	180.00	VAT out of Scope	N/A	No
2 Year Licence	315.00	VAT out of Scope	N/A	No
3 Year Licence	450.00	VAT out of Scope	N/A	No
Renewal	130.00	VAT out of Scope	N/A	No
Dog day care				
1 Year Licence	175.00	VAT out of Scope	N/A	No
2 Year Licence	300.00	VAT out of Scope	N/A	No
3 Year Licence	425.00	VAT out of Scope	N/A	No
Renewal	130.00	VAT out of Scope	N/A	No
Hiring of horses (plus annual vet's fee- payable separately)				
1 Year Licence	220.00	VAT out of Scope	N/A	No
2 Year Licence	385.00	VAT out of Scope	N/A	No
3 Year Licence	550.00	VAT out of Scope	N/A	No
Renewal	170.00	VAT out of Scope	N/A	No
Breeding of Dogs (plus vet's fee- payable separately)				
1 Year Licence	240.00	VAT out of Scope	N/A	No
2 Year Licence	420.00	VAT out of Scope	N/A	No
3 Year Licence	600.00	VAT out of Scope	N/A	No
Renewal	190.00	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Licences				
Keeping or training animals for exhibition (3 year licence)	180.00	VAT out of Scope	N/A	No
Keeping or training animals for exhibition (renewal)	130.00	VAT out of Scope	N/A	No
Re-rating visits	175.00	VAT out of Scope	N/A	No
Variation of a licence	130.00	VAT out of Scope	N/A	No
Dangerous Wild Animals Act (excluding vet fees)	315.00	VAT out of Scope	N/A	No
Zoo Licence (excluding vet fees)	625.00	VAT out of Scope	N/A	No
Skin Piercing etc., Acupuncture, tattooing, electrolysis and ear piercing (per practitioner)	165.00	VAT out of Scope	N/A	No
Skin Piercing etc., Acupuncture, tattooing, electrolysis and ear piercing (temporary events e.g. conventions and guest tattooists. Limited to 2 weeks and only if registered with another local authority - proof required.)	40.00	VAT out of Scope	N/A	No
Ear piercing only (per practitioner)	85.00	VAT out of Scope	N/A	No
Food Premises Registration	Free	VAT out of Scope	N/A	No
Street Traders Licence (per pitch per day - issued by Rugby First)	32.00	VAT out of Scope	N/A	No
Sex Establishment Licence	4,700.00	VAT out of Scope	N/A	No
Hypnotism	100.00	VAT out of Scope	N/A	No
Note: all animal licenses may be subject to further vet fees in accordance with the relevant legislation. All fees stated exclude vet fees.				
Pollution Prevention and Control				
The fee charging regime for these industries will change with effect from 1st April. The charging regime is set by Government annually. The new regime is risk based and full details are available on request or can be found at www.defra.gov.uk/environment/ppc/localauth/fees-risk/fees.htm				
Lotteries and Amusement				
Initial	40.00	VAT out of Scope	N/A	No
Renewal	20.00	VAT out of Scope	N/A	No
Licensing Act 2003				
Main Application Fee - per Rateable Band				
Band A	100.00	VAT out of Scope	N/A	No
Band B	190.00	VAT out of Scope	N/A	No
Band C	315.00	VAT out of Scope	N/A	No
Band D	450.00	VAT out of Scope	N/A	No
Band E	635.00	VAT out of Scope	N/A	No
Band D X (2)	900.00	VAT out of Scope	N/A	No
Band E X (3)	1,905.00	VAT out of Scope	N/A	No
Main Annual Charge				
Band A	70.00	VAT out of Scope	N/A	No
Band B	180.00	VAT out of Scope	N/A	No
Band C	295.00	VAT out of Scope	N/A	No
Band D	320.00	VAT out of Scope	N/A	No
Band E	350.00	VAT out of Scope	N/A	No
Band D X (2)	640.00	VAT out of Scope	N/A	No
Band E X (3)	1,050.00	VAT out of Scope	N/A	No
Variation				
Band A	100.00	VAT out of Scope	N/A	No
Band B	190.00	VAT out of Scope	N/A	No
Band C	315.00	VAT out of Scope	N/A	No
Band D	450.00	VAT out of Scope	N/A	No
Band E	635.00	VAT out of Scope	N/A	No
Personal Licences, Temporary Events and Other Fees				
Application for a grant or renewal of personal licence	37.00	VAT out of Scope	N/A	No
Temporary event notice	21.00	VAT out of Scope	N/A	No
Theft, loss etc. of premises licence or summary	10.50	VAT out of Scope	N/A	No
Application for a provisional statement where premises being built etc.	Varies	VAT out of Scope	N/A	No
Notification of change of name or address	10.50	VAT out of Scope	N/A	No
Application to vary licence to specify individual as premises supervisor	23.00	VAT out of Scope	N/A	No
Application for transfer of premises licence	23.00	VAT out of Scope	N/A	No
Theft, loss etc. of certificate or summary	10.50	VAT out of Scope	N/A	No
Notification of change of name alteration of rules of club	10.50	VAT out of Scope	N/A	No
Change of relevant registered address of club	10.50	VAT out of Scope	N/A	No
Theft, loss etc. of temporary event notice	10.50	VAT out of Scope	N/A	No
Theft, loss etc. of personal licence	10.50	VAT out of Scope	N/A	No
Duty to notify change of name or address	10.50	VAT out of Scope	N/A	No
Right of freeholder etc. to be notified of licensing matters	21.00	VAT out of Scope	N/A	No
Interim Authority notice following death etc. of licence holder	23.00	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Licences				
Fees for Scrap Metal Dealers Act 2013 scrap metal licence applications and incidental costs				
Scrap metal dealer site licence application fee	350.00	VAT out of Scope	N/A	No
Scrap metal dealer site licence renewal fee	250.00	VAT out of Scope	N/A	No
Scrap metal dealer site licence variation fee	90.00	VAT out of Scope	N/A	No
Scrap metal dealer collector licence fee	250.00	VAT out of Scope	N/A	No
Scrap metal dealer collector renewal fee	230.00	VAT out of Scope	N/A	No
Scrap metal dealer collector variation fee	90.00	VAT out of Scope	N/A	No
Replacement licence	30.00	VAT out of Scope	N/A	No
Fees for Mobile Homes Act 2013 licence applications and incidental costs				
Application	250.00	VAT out of Scope	N/A	No
Annual fee 2 to 10 residential units	150.00	VAT out of Scope	N/A	No
Annual fee 11 to 30 residential units	220.00	VAT out of Scope	N/A	No
Annual fee 31+ residential units	300.00	VAT out of Scope	N/A	No
Compliance notice	335.00	VAT out of Scope	N/A	No
Transfer of licence	72.00	VAT out of Scope	N/A	No
Variation of licence	215.00	VAT out of Scope	N/A	No
Fees only apply to relevant mobile homes sites. If exempt, licence fee £nil, no annual fee, compliance notices do not apply and transfer or variation fees £nil.				
Gambling Act permit fees				
Licensed premises gaming machines permits:				
Grant	150.00	VAT out of Scope	N/A	No
Existing operator grant	100.00	VAT out of Scope	N/A	No
Variation	100.00	VAT out of Scope	N/A	No
Transfer	25.00	VAT out of Scope	N/A	No
Annual fee	50.00	VAT out of Scope	N/A	No
Change of name	25.00	VAT out of Scope	N/A	No
Copy of permit	15.00	VAT out of Scope	N/A	No
Licensed premises automatic notification process				
On Notification	50.00	VAT out of Scope	N/A	No
Club gaming permits				
Grant	200.00	VAT out of Scope	N/A	No
Grant (club premises certificate holder)	100.00	VAT out of Scope	N/A	No
Existing operator grant	100.00	VAT out of Scope	N/A	No
Variation	100.00	VAT out of Scope	N/A	No
Renewal	200.00	VAT out of Scope	N/A	No
Renewal (club premises certificate holder)	100.00	VAT out of Scope	N/A	No
Annual fee	50.00	VAT out of Scope	N/A	No
Copy of permit	15.00	VAT out of Scope	N/A	No
Club machine permits				
Grant	200.00	VAT out of Scope	N/A	No
Grant (club premises certificate holder)	100.00	VAT out of Scope	N/A	No
Existing operator grant	100.00	VAT out of Scope	N/A	No
Variation	100.00	VAT out of Scope	N/A	No
Renewal	200.00	VAT out of Scope	N/A	No
Renewal (club premises certificate holder)	100.00	VAT out of Scope	N/A	No
Annual fee	50.00	VAT out of Scope	N/A	No
Copy of permit	15.00	VAT out of Scope	N/A	No
Family entertainment centre gaming machine permits				
Grant	300.00	VAT out of Scope	N/A	No
Renewal	300.00	VAT out of Scope	N/A	No
Existing operator grant	100.00	VAT out of Scope	N/A	No
Change of name	25.00	VAT out of Scope	N/A	No
Copy of permit	15.00	VAT out of Scope	N/A	No
Prize gaming permits				
Grant	300.00	VAT out of Scope	N/A	No
Renewal	300.00	VAT out of Scope	N/A	No
Existing operator grant	100.00	VAT out of Scope	N/A	No
Change of name	25.00	VAT out of Scope	N/A	No
Copy of permit	15.00	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase	VAT Type	VAT Included	Increase Applied
	£			
Licences				
Gambling Act licences				
Converted Casino:				
Non-conversion provisional statement	0.00	VAT out of Scope	N/A	No
Non-conversion application	0.00	VAT out of Scope	N/A	No
1st Annual fee	2,400.00	VAT out of Scope	N/A	No
Annual fee	2,400.00	VAT out of Scope	N/A	No
Vary licence	1,600.00	VAT out of Scope	N/A	No
Transfer licence	1,080.00	VAT out of Scope	N/A	No
Reinstatement of licence	1,080.00	VAT out of Scope	N/A	No
Provisional	0.00	VAT out of Scope	N/A	No
Bingo				
Non conversion provisional statement	960.00	VAT out of Scope	N/A	No
Non conversion application	2,800.00	VAT out of Scope	N/A	No
1st annual fee	800.00	VAT out of Scope	N/A	No
Annual fee	800.00	VAT out of Scope	N/A	No
Vary Licence	1,400.00	VAT out of Scope	N/A	No
Transfer Licence	960.00	VAT out of Scope	N/A	No
Reinstatement of licence	960.00	VAT out of Scope	N/A	No
Provisional	2,800.00	VAT out of Scope	N/A	No
Gambling Act Permit Fees				
Adult Gaming Centre				
Non conversion provisional statement	960.00	VAT out of Scope	N/A	No
Non conversion application	1,600.00	VAT out of Scope	N/A	No
1st annual fee	800.00	VAT out of Scope	N/A	No
Annual fee	800.00	VAT out of Scope	N/A	No
Vary licence	800.00	VAT out of Scope	N/A	No
Transfer licence	960.00	VAT out of Scope	N/A	No
Reinstatement of licence	960.00	VAT out of Scope	N/A	No
Provisional	1,600.00	VAT out of Scope	N/A	No
Track betting				
Non conversion provisional statement	790.00	VAT out of Scope	N/A	No
Non conversion application	2,050.00	VAT out of Scope	N/A	No
1st annual fee	830.00	VAT out of Scope	N/A	No
Annual fee	830.00	VAT out of Scope	N/A	No
Vary licence	1,050.00	VAT out of Scope	N/A	No
Transfer Licence	790.00	VAT out of Scope	N/A	No
Reinstatement of licence	790.00	VAT out of Scope	N/A	No
Provisional	2,100.00	VAT out of Scope	N/A	No
Betting (other)				
Non conversion provisional statement	1,000.00	VAT out of Scope	N/A	No
Non conversion application	2,500.00	VAT out of Scope	N/A	No
1st annual fee	500.00	VAT out of Scope	N/A	No
Annual fee	500.00	VAT out of Scope	N/A	No
Vary licence	1,250.00	VAT out of Scope	N/A	No
Transfer licence	1,000.00	VAT out of Scope	N/A	No
Re-instatement of licence	1,000.00	VAT out of Scope	N/A	No
Provisional	2,500.00	VAT out of Scope	N/A	No
Family Entertainment Centre				
Non conversion provisional statement	790.00	VAT out of Scope	N/A	No
Non conversion application	1,650.00	VAT out of Scope	N/A	No
1st annual fee	625.00	VAT out of Scope	N/A	No
Annual fee	625.00	VAT out of Scope	N/A	No
Vary licence	830.00	VAT out of Scope	N/A	No
Transfer licence	790.00	VAT out of Scope	N/A	No
Re-instatement of licence	790.00	VAT out of Scope	N/A	No
Provisional	1,650.00	VAT out of Scope	N/A	No
Temporary Use Notices	500.00	VAT out of Scope	N/A	No
Copy of Licences	25.00	VAT out of Scope	N/A	No
Notification of Change of Licence	50.00	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase	VAT Type	VAT Included	Increase Applied
	£			
Hackney Carriages				
Vehicle Licence	145.00	VAT out of Scope	N/A	No
Transfer of Vehicle Licence	12.50	VAT out of Scope	N/A	No
Vehicle Stripes (per strip)	2.00	VAT out of Scope	N/A	No
Chequered Stripes (per set)	20.00	VAT out of Scope	N/A	No
Replacement Plates	34.00	VAT out of Scope	N/A	No
DBS checks	44.00	VAT out of Scope	N/A	No
Comprehension Test	10.00	VAT out of Scope	N/A	No
Knowledge Test	30.00	VAT out of Scope	N/A	No
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)	40.00	VAT out of Scope	N/A	No
Private Hire Vehicles				
Vehicle Licence	145.00	VAT out of Scope	N/A	No
Operator's Licence:				
New Applications (valid for 5 years):				
1-4 Vehicles	380.00	VAT out of Scope	N/A	No
5-10 Vehicles	680.00	VAT out of Scope	N/A	No
10 or more Vehicles	974.00	VAT out of Scope	N/A	No
Application Renewal (valid for 5 years)				
1-4 Vehicles	344.00	VAT out of Scope	N/A	No
5-10 Vehicles	642.00	VAT out of Scope	N/A	No
10 or more Vehicles	940.00	VAT out of Scope	N/A	No
Driver's Licence - Dual Hackney and PHV Licence:				
New Application (Valid for 3 years)	370.00	VAT out of Scope	N/A	No
Application Renewal (Valid for 3 years)	220.00	VAT out of Scope	N/A	No
Transfer of Vehicle Licence	12.50	VAT out of Scope	N/A	No
Replacement Plates	34.00	VAT out of Scope	N/A	No
Comprehension Test	10.00	VAT out of Scope	N/A	No
Knowledge Test	30.00	VAT out of Scope	N/A	No
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)	40.00	VAT out of Scope	N/A	No
Car Parks and Parking				
Off Street Parking				
John Barford Car Park				
Up to 3 hours	1.00	VAT at 20%	Included	No
Up to 5 hours	2.50	VAT at 20%	Included	No
Up to 11 hours	5.00	VAT at 20%	Included	No
Sunday	1.00	VAT at 20%	Included	No
Railway Terrace/Gas Street/Old Market Place				
Up to 3 hours	1.00	VAT at 20%	Included	No
Up to 5 hours	4.00	VAT at 20%	Included	No
Up to 11 hours	10.00	VAT at 20%	Included	No
Sunday	Free	VAT at 20%	Included	No
Chestnut Field/North Street/Little Church Street/Evreux Way				
Up to 2 hours	1.00	VAT at 20%	Included	No
Up to 3 hours	1.30	VAT at 20%	Included	No
Sunday	1.00	VAT at 20%	Included	No
Westway				
Up to 5 hours	2.50	VAT at 20%	Included	No
Up to 11 hours	5.00	VAT at 20%	Included	No
Sunday	Free	VAT at 20%	Included	No
Newbold Road				
Up to 3 hours	1.00	VAT at 20%	Included	No
Up to 5 hours (weekdays only)	4.00	VAT at 20%	Included	No
Up to 11 hours	10.00	VAT at 20%	Included	No
Saturday up to 11 hours	3.00	VAT at 20%	Included	No
Sunday	Free	VAT at 20%	Included	No
Penalty Charges				
Penalty charge	50.00 or 70.00	VAT out of Scope	Excluded	No
Penalty charge if paid within 14 days	25.00 or 35.00	VAT out of Scope	Excluded	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Car Parks and Parking				
Season Tickets - Day Passes				
John Barford/Westway				
3 months	120.00	VAT at 20%	Included	No
6 months	215.00	VAT at 20%	Included	No
9 months	400.00	VAT at 20%	Included	No
Railway Terrace/Gas Street/Old Market Place				
3 months	180.00	VAT at 20%	Included	No
6 months	325.00	VAT at 20%	Included	No
9 months	615.00	VAT at 20%	Included	No
Season Tickets - Town Centre Residents Night Passes				
Railway Terrace/Gas Street/Old Market Place/Westway				
3 months	100.00	VAT at 20%	Included	No
6 months	180.00	VAT at 20%	Included	No
9 months	340.00	VAT at 20%	Included	No
Other Charges				
Vehicles over 3 tonnes/Coaches	Not Permitted	VAT at 20%	Included	No
Caravan/trailers and towing vehicles used for exhibitions, trade etc. (per space)	10.00	VAT at 20%	Included	No
Enforcement Charges				
Fixed Penalty Fines				
The Council has, where possible, determined to set its own level of fines within the standard range of penalties. The general formula is adopted to set the default penalty level to be the maximum possible within the range for that offence. However, this penalty is DISCOUNTED to the minimum penalty possible within the range, IF the penalty is paid within 10 days in the case of Public Space Protection Orders and Fly tipping, and 7 days for all other listed offences.				
Discount				
Depositing Litter	50.00	VAT out of Scope	N/A	No
Graffiti and fly posting	50.00	VAT out of Scope	N/A	No
Nuisance parking	60.00	VAT out of Scope	N/A	No
Fly tipping	300.00	VAT out of Scope	N/A	No
Exposing vehicles for sale on a road	No discount	VAT out of Scope	N/A	No
Repairing vehicles on a road	No discount	VAT out of Scope	N/A	No
Abandoning a vehicle	120.00	VAT out of Scope	N/A	No
Unauthorised distribution of free printed matter	50.00	VAT out of Scope	N/A	No
Failure to furnish documentation (Waste Carriers Licence)	No discount	VAT out of Scope	N/A	No
Failure to produce authority (Waste Transfer Note)	No discount	VAT out of Scope	N/A	No
Failure to comply with a Public Space Protection Order	75.00	VAT out of Scope	N/A	No
Failure to comply with a Community Protection Notice (Individual)	No discount	VAT out of Scope	N/A	No
Failure to comply with a Community Protection Notice (Business)	No discount	VAT out of Scope	N/A	No
Cycling on a foot path	No discount	VAT out of Scope	N/A	No
Failure to comply with noise warning notice (licenced)	No discount	VAT out of Scope	N/A	No
Failure to comply with a Public Space Protection Order (Dogs)	50.00	VAT out of Scope	N/A	No
Landlords				
Implementation of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 on 1st April 2015 will result in penalty charges being issued against landlords where they have breached their legal duties in relation to offences under the regulations which require landlords to provide smoke alarms and carbon monoxide alarms in rented properties:				
If Paid Within 14				
First Offence	750.00	VAT out of Scope	N/A	No
Second Offence	n/a	VAT out of Scope	N/A	No
Third Offence (and all Consequent Offences)	n/a	VAT out of Scope	N/A	No

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Enforcement Charges				
Officer Rates				
For reclaiming officer costs when investigating matters that result in a legal proceeding being instituted etc.				
Category A - salary grade D and below	46.00	VAT out of Scope	N/A	Yes
Category B - salary grade E to F	61.00	VAT out of Scope	N/A	Yes
Category C - salary grade G	77.00	VAT out of Scope	N/A	Yes
Category D - Heads of Service or above	92.00	VAT out of Scope	N/A	Yes
Administration charges for works in default etc.:				
For each property or person responsible, minimum fee to apply until hourly rate and associated costs exceed this figure				
	56.00	VAT out of Scope	N/A	Yes
Any associated letters, reports etc.				
	12.00	VAT out of Scope	N/A	Yes
Officers statement for solicitors (minimum 1 hour)				
	Officer rates	VAT out of Scope	N/A	Yes
Mileage charged at current casual user rates				
Note: Fees and Charges marked with an asterisk *** are set by national legislation and will be amended as and when specified charges are amended				
Complete copies of list of Registered Food Premises				
	320.00	VAT out of Scope	N/A	No
Partial copies of the list of Registered Food Premises				
	£30 + £3 per entry	VAT out of Scope	N/A	No
Printed copies of Air Quality Assessment Reports etc				
	50.00	VAT out of Scope	N/A	No
Copies of or from other Public Registers:				
Complete premises files (printed, plus photocopying charge)				
	40.00	VAT out of Scope	N/A	No
Partial extracts form premises file (per request, plus copying)				
	20.00	VAT out of Scope	N/A	No
Information may be available in an electronic format. Prices available on request.				
Parks				
Caldecott Park - to be fixed with the café leaseholder				
Special Events on Parks and Open Spaces				
Sports Tournaments	Price On Application	VAT Exempt	N/A	N/A
Charitable Events	No Charge	N/A	N/A	No
Dog Shows - per opening day	295.00	VAT Exempt	N/A	Yes
Fairs/Circuses - per operating day	395.00	VAT Exempt	N/A	Yes
Fairs/Circuses - per setting up day	110.00	VAT Exempt	N/A	Yes
Returnable deposit for new fair/circus operator	310.00	VAT Exempt	N/A	Yes
Commercial Events	395.00	VAT Exempt	N/A	Yes
Filming rights (per day)	210.00	VAT Exempt	N/A	Yes
Ice Cream Licence	Price on application	VAT at 20%	N/A	N/A
Sports Pitches				
SPORTS PITCHES ARE HIRED PER SESSION (not including time spent changing)				
All hirers must provide evidence of Public Liability insurance of £5 million and sign the current Terms and Condition of Hire				
Matches must be completed by 9pm Monday to Saturday and by 6pm on Sunday				
Rugby Football: 1 session is deemed to last up to 100 minutes				
Football: 1 session is deemed to last up to 120 minutes				
Cricket: 1 session is deemed to last up to 4 hours				
Changing Facilities: where booked will be charged per pitch session as above				
This is an unattended service provided to specific clubs/teams by prior agreement.				
An attended service is available for a casual booking - additional charge payable				
Where an all day booking is made, morning is deemed to be one session, afternoon one session and evening one session. Each session will be charged as detailed.				

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
Sports Pitches				
	Exempt £			
Senior pitch hire Football, Rugby, Cricket, Gaelic Football	33.00	VAT Exempt		No
Intermediate pitch hire Football	12.50	VAT Exempt		No
UNAUTHORISED USE OF FACILITIES - DOUBLE FEE PAYABLE				
Training (per training session)	10.00	VAT Exempt		No
Changing Rooms (subject to change as facilities are refurbished) Charged per session as above. Changing rooms are opened as for Football/Cricket, 30 minutes before kick-off, Rugby/Gaelic 60 minutes before kick-off and early opening - price on application.				
Unattended regular use through the season on specified number of occasions (minimum 10)				
Seniors £22 per room per occasion (no refunds unless cancelled by Council)	22.00	VAT Exempt	N/A	No
Juniors £15 per room per occasion (no refunds unless cancelled by Council)	15.00	VAT Exempt	N/A	No
Juniors Weekly access to toilets only (For season- dates as agreed)	250.00	VAT Exempt	N/A	Yes
Unattended casual use (less than 10 occasions)				
Seniors £18.00 per room per occasion	18.00	VAT at 20%	Included	No
Juniors £12.50 per room per occasion	12.50	VAT at 20%	Included	No
Attended Service Additional £25 payable	Additional £25 payable	VAT Exempt		No
Late Booking Charges				
Each Pitch (Including VAT)	10.00	VAT at 20%	Included	No
Changing room(s) (plus VAT as appropriate)	10.00	VAT at 20%	Excluded	No
Professional Trainers (per hour)	15.00	VAT Exempt	N/A	Yes
Housing				
Private Housing Inspection and Assessment for Immigration and other purposes	120.00	VAT out of Scope	N/A	No
House in Multiple Occupation Licence fee:				
Where Landlord approaches Council	650.00	VAT out of Scope	N/A	No
Where Landlord is found to be running an unlicensed HMO	900.00	VAT out of Scope	N/A	No
Renewal of an HMO Licence	493.00	VAT out of Scope	N/A	No
Copy of Licence	15.00	VAT out of Scope	N/A	No
Variation of Licence	110.00	VAT out of Scope	N/A	No
Revoking licence	110.00	VAT out of Scope	N/A	No
Service of Hazard awareness notice	0.00	VAT out of Scope	N/A	No
Service of formal notice/order.	500.00	VAT out of Scope	N/A	No
Additional notices/orders for multiple hazards	25.00	VAT out of Scope	N/A	No
DBS check	44.00	VAT out of Scope	N/A	No
Public Registers and other information				
All public registers can be viewed in person free of charge and attempts are being made to make some or all of these available on the internet.				
Contaminated land and pollution searches:	price on application	VAT out of Scope	N/A	No
Complete copies of list of Registered Food Premises	320.00	VAT out of Scope	N/A	No
Partial copies of the list of Registered Food Premises	£30 + £3 per entry	VAT out of Scope	N/A	No
Printed copies of Air Quality Assessment Reports etc.	50.00	VAT out of Scope	N/A	No
Copies of or from other Public Registers:				
Complete premises files (printed, plus photocopying charge)	40.00	VAT out of Scope	N/A	No
Partial extracts form premises file (per request, plus copying)	20.00	VAT out of Scope	N/A	No
Information may be available in an electronic format. Prices available on request.				

FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2019

	2019/20 Fees Including % Increase £	VAT Type	VAT Included	Increase Applied
CORPORATE RESOURCES				
Legal Services				
S106/Unilateral Agreements*	61.20	VAT at 20%	Included	Yes
Supplemental/Deed of Variation/TPOs*	30.60	VAT at 20%	Included	Yes
Ex-Council House Consent	61.20	VAT at 20%	Included	Yes
Ex-Council House Consent: Retrospective	91.80	VAT at 20%	Included	Yes
Leases/Shared Ownership (per copy)	61.20	VAT at 20%	Included	Yes
Enforcement Notices	18.40	VAT at 20%	Included	Yes
Smoke Control Orders	30.60	VAT at 20%	Included	Yes
* Standard turnaround for copies is 1-3 working days. However, if any of the above documents require expediting straight away, an additional £30.00 is added to each.				
EXECUTIVE DIRECTOR				
Electoral Register				
The Open Electoral Register can be purchased in either data or paper form:-				
Fee for data copy £20.00 plus £1.50 for every 1,000 entries or part thereof purchased			VAT out of Scope	
Fee for paper copy £10.00 plus £5.00 for every 1,000 entries or part thereof purchased			VAT out of Scope	
Freedom of Information Request				
Freedom of Information and Environmental Information Regulation requests are charged for in just two cases:-				
<ul style="list-style-type: none"> - where the cost of answering the enquiry goes over £450; and - where there are costs for preparing the information e.g. printing, photocopying, postage, providing information in other formats (CD-Rom, audio cassette, translation) 				
The time spent dealing with the above is calculated at £25 per hour.	25.00	VAT out of Scope	N/A	No
With the majority of requests the costs will be less than £450 and we will make no charge for the work involved.				
If however, the cost of dealing with your request goes over £450 we will contact you to discuss the information you have requested and the cost of providing it. If you still want the information in a format that is going to take the cost over that limit, then we will charge you the full amount.				
<ul style="list-style-type: none"> - Photocopying or printing material; - Postage; - Producing material in a different format when requested e.g. CD Rom, audio cassette; - Providing extracts of databases; - Translating the material into a different language where requested; - Allowing you to reasonable time to inspect a record containing the information (FOI only); - 10p per A4 sheet for printing or photocopying, black and white; - 20p per A3 sheet for printing or photocopying, black and white; - 92p per A4 sheet for printing or photocopying, colour; - £1.24 per A3 sheet for printing or photocopying, colour; - Postage costs - documents will be sent by second class mail unless specified otherwise; - Any costs involving staff time will be charged at £25 per hour. 				
We can charge for these costs in all cases, whether or not we can also charge for the prescribed costs. If the total cost is less than £10, we won't charge you.				

Appendix 8

General Fund (GF) Reserves and Balances

	Balance at 31st March 2018 £	Transfers out £	Transfers in £	Balance at 31st March 2019 £	Transfers out £	Transfers in £	Balance at 31st March 2020 £	Transfers out £	Transfers in £	Balance at 31st March 2021 £	Transfers out £	Transfers in £	Balance at 31st March 2022 £
General Reserve	-3,068,760	218,800	-302,000	-3,151,960	66,000	-252,000	-3,337,960	246,000	-66,000	-3,091,960	0	0	-3,091,960
Core Reserves													
Business Rates Equalisation Reserve	-1,285,350	270,650	-553,000	-1,567,700	126,000	-1,964,000	-3,405,700	0	-187,000	-3,592,700	0	-616,000	-4,208,700
Council Tax Surplus Reserve (New)	0			0		-29,000	-29,000			-29,000			-29,000
Budget Stability Reserve	-538,530	100,000	0	-438,530	91,000	0	-347,530	0	-66,000	-413,530	0	0	-413,530
Carry Forward Reserve	-354,140	354,140	0	0	0	0	0	0	0	0	0	0	0
Sub-total	-2,178,020	724,790	-553,000	-2,006,230	217,000	-1,993,000	-3,782,230	0	-253,000	-4,035,230	0	-616,000	-4,651,230
Grants and S106 Contributions													
Sub-total	-2,160,500	150,000	0	-2,010,500	150,000	0	-1,860,500	150,000	0	-1,710,500	150,000	0	-1,560,500
Other Earmarked Reserves													
Environment and Public Realm	-224,100	18,000	-15,400	-221,500	0	0	-221,500	0	0	-221,500	0	0	-221,500
Growth and Investment	-326,230	0	-5,730	-331,960	0	0	-331,960	0	0	-331,960	300,000	0	-31,960
Communities and Housing	-140,110	17,605	0	-122,505	0	0	-122,505	0	0	-122,505	0	0	-122,505
Corporate	-343,070	37,170	0	-305,900	0	0	-305,900	0	0	-305,900	0	0	-305,900
Sub-total	-1,033,510	72,775	-21,130	-981,865	0	0	-981,865	0	0	-981,865	300,000	0	-681,865
TOTAL	-5,372,030	947,565	-574,130	-4,998,595	367,000	-1,993,000	-6,624,595	150,000	-253,000	-6,727,595	450,000	-616,000	-6,893,595

Waste and Recycling Options

Following an analysis of the current Waste and Recycling operations, two proposals for efficiencies and savings have been identified. A summary of each proposal, together with financial and risk implications is given below.

1. Kerbside Collections Rural Area

Summary of Proposal

This proposal is to cease doorstep collections within Rural areas (affecting approximately 1,000 properties), but instead asking the householder to present their bins where the property meets the roadside, for collection.

Such arrangements are common practice in other local authority areas and are known as edge of curtilage collections.

Edge of curtilage collections require residents to present refuse and recycling bins by the edge of their property which is nearest to the adopted highway. Exact definitions for the tolerated distance from the highway range from 25m to 'an arms-length'.

Financial Implications

It is estimated that this would result in an operational saving of up to £75,000 per year. This is the equivalent to 50% of one vehicle and its associated crew.

The level of saving achieved will be influenced by the number of properties that require special arrangements, such as assisted pull outs.

The savings figure assumes 12 months operation of the new arrangements. Should the new arrangements not be in place for the start of the financial year, the level of savings delivered in 2019/20 will reduce accordingly.

Risks

The risks associated with the cessation of doorstep collections within the Rural Area are:

- a. Not all household may be able to present bins at the kerbside due to disability.
- b. Public dissatisfaction
- c. An increased number of sign ups to the "pull out" service reduce the financial benefits of the new arrangements.

Risk Mitigation

- a. A "pull out" bin collection service is available for residents who are unable to present their bins at the kerbside due to a disability. In such cases (and where the necessary criteria are met), we will collect the wheeled bin from the property and return once emptied.
- b. Each affected household will be written to, with the rationale for the decision summarised together with revised collection arrangements.
- c. Review of criteria for "pull out" bin collection service.

Equality and Diversity Impact Assessment

An Equality Impact Assessment would be required, and a draft assessment is attached.

Consultation

It is recommended that this proposal would benefit from consultation with each household directly affected by the proposal.

Next Steps

Should Members approve the proposal, officers will design and deliver a consultation exercise in early 2019.

A formal policy defining edge of curtilage collections, including acceptable distances from the highway, will be developed.

Following the consultation, further modelling will take place to understand any special arrangements (including assisted pull outs) which may be required and the impact which this will have on achievable savings.

2. Kerbside Collections Urban Area

Summary of Proposal

This proposal is to cease doorstep collections within Urban areas of Rugby (affecting approximately 2,000 properties), but instead ask householders to present their bins at the edge of the roadside for collection.

It is anticipated that the implementation of this proposal would have the additional benefit of reducing contamination rates in recycling bins which are currently collected from rear alleyways.

Such arrangements are common practice in other local authority areas and are known as edge of curtilage collections.

Edge of curtilage collections require residents to present refuse and recycling bins by the edge of their property which is nearest to the adopted highway. Exact definitions for the tolerated distance from the highway range from 25m to 'an arms-length'.

Financial Implications

It is estimated that this would result in an operational saving of up to £75,000 per year. This is the equivalent to 50% of one vehicle and its associated crew.

The level of saving achieved will be influenced by the number of properties that require special arrangements, such as assisted pull outs.

The savings figure assumes 12 months operation of the new arrangements. Should the new arrangements not be in place for the start of the financial year, the level of savings delivered in 2019/20 will reduce accordingly.

Risks

The risks associated with the cessation of doorstep collections within the Urban Area are:

- a. Not all household may be able to present bins at the kerbside due to disability
- b. Public dissatisfaction
- c. Lack of clarity over where bins should be presented
- d. An increased number of sign ups to the “pull out” service reduces the financial benefits of the new arrangements.

Risk Mitigation

- a. A “pull out” bin collection service is available for residents who are unable to present their bins at the kerbside due to a disability. In such cases (and where the necessary criteria are met), we will collect the wheeled bin from the property and return once emptied.
- b. Each affected household will be written to, with the rationale for the decision summarised
- c. Those households where an edge of curtilage collection is not possible, will be written to with alternative arrangements clarified.
- d. Review of criteria for “pull out” bin collection service.

Equality and Diversity Impact Assessment

An Equality Impact Assessment would be required, and a draft assessment is attached.

Consultation

It is recommended that this proposal would benefit from consultation with each household affected by the proposal.

Next Steps

Should Members approve the proposal, officers will design and deliver a consultation exercise in early 2019.

A formal policy defining edge of curtilage collections, including acceptable distances from the highway, will be developed.

Following the consultation, further modelling will take place to understand any special arrangements (including assisted pull outs) which may be required and the impact this will have on achievable savings.

EQUALITY IMPACT ASSESSMENT (EqIA)

Context

1. The Public Sector Equality Duty as set out under section 149 of the Equality Act 2010 requires Rugby Borough Council when making decisions to have due regard to the following:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sex/gender
 - sexual orientation
3. In addition to the above-protected characteristics, you should consider the crosscutting elements of the proposed policy, such as impact on social inequalities and impact on carers who look after older people or people with disabilities as part of this assessment.
4. The Equality Impact Assessment (EqIA) document is a tool that enables RBC to test and analyse the nature and impact of what it is currently doing or is planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. The questions will enable you to record your findings.
6. Where the EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. Once completed and signed off the EqIA will be published online.
8. An EqIA must accompany all **Key Decisions** and **Cabinet Reports**.
9. For further information, refer to the EqIA guidance for staff.
10. For advice and support, contact:
Minakshee Patel
Corporate Equality & Diversity Advisor
minakshee.patel@rugby.gov.uk
Tel: 01788 533509

Equality Impact Assessment

Service Area	Waste and Recycling
Policy/Service being assessed	Kerbside (only) Collections
Is this is a new or existing policy/service? If existing policy/service please state date of last assessment	Existing service with revised arrangements
EqlA Review team – List of members	Dan Green, Shaun Barnes, Minakshee Patel
Date of this assessment	December 2018
Signature of responsible officer (to be signed after the EqlA has been completed)	

A copy of this Equality Impact Assessment report, including relevant data and information to be forwarded to the Corporate Equality & Diversity Advisor.

If you require help, advice and support to complete the forms, please contact Minakshee Patel, Corporate Equality & Diversity Advisor via email: minakshee.patel@rugby.gov.uk or 01788 533509

Details of Strategy/ Service/ Policy to be analysed

<u>Stage 1 – Scoping and Defining</u>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	The council is considering implementing a ‘kerbside only’ collection policy for waste and recycling. This would mean that residents whose properties have long drives or rear alleyways would need to present their bins at the kerbside to enable collection by RBC Waste and Recycling Crews
(2) How does it fit with Rugby Borough Council’s Corporate priorities and your service area priorities?	The proposal fits with the proposed corporate priority 2017-2020, “achieve financial self sufficiency by 2020 and the portfolio priority “continue to improve the efficiency of our waste and recycling services”
(3) What are the expected outcomes you are hoping to achieve?	A reduction in the costs of delivering our waste and recycling services
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> • Customers • Employees • Wider community or groups 	Customers
<u>Stage 2 - Information Gathering</u>	
	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).
(1) What does the information tell you about those groups identified?	Officers have details of the number and location of properties affected by the proposal. This will enable targeted communications to each affected household.

(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?	No		
(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.	Should the proposals be approved for progression, the intention is to consult with individual households affected by the changes. It is anticipated that this would happen in early 2019. Beyond the consultation exercise, residents will be informed of additional support which is available for any households where disability or pregnancy affects residents' abilities to present their bins at the kerbside.		
<u>Stage 3 – Analysis of impact</u>			
<p><u>(1)Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	<p>RACE N/a</p>	<p>DISABILITY Households where disability prevents residents from transporting bins to the kerbside could suffer adverse impact</p>	<p>GENDER N/a</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP N/a</p>	<p>AGE N/a</p>	<p>GENDER REASSIGNMENT N/a</p>
	<p>RELIGION/BELIEF N/a</p>	<p>PREGNANCY MATERNITY Households where pregnancy prevents residents from transporting bins to the kerbside could suffer adverse impact</p>	<p>SEXUAL ORIENTATION N/a</p>

<p><u>(2) Cross cutting themes</u></p> <p>(a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?</p> <p>(b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	<p>(a) There is no likely impact on social inequality</p> <p>(b) Carers who look after older people or people with disabilities may have difficulties in arranging for bins to be transported to the kerbside. In such instances, the assisted pull out scheme would enable support to such individuals.</p>
<p>(3) If there is an adverse impact, can this be justified?</p>	<p>Potential adverse affects will be mitigated by signposted those affected to the assisted pull out scheme.</p>
<p>(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)</p>	<p>Residents with a disability will be supported through the assisted pull out scheme. https://www.rugby.gov.uk/forms/form/195/request_a_bin_pull-out_service</p>
<p>(5) How does the strategy/service/policy contribute to the promotion of equality? If not what can be done?</p>	<p>Residents have access to the same service irrespective of disability or pregnancy.</p>
<p>(6) How does the strategy/service/policy promote good relations between groups? If not what can be done?</p>	<p>n/a</p>
<p>(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?</p>	<p>n/a (previously addressed)</p>

Stage 4 – Action Planning, Review & Monitoring

If No Further Action is required then go to – Review & Monitoring

(1) Action Planning – Specify any changes or improvements that can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.

EqlA Action Plan

Action	Lead Officer	Date for completion	Resource requirements	Comments
Write to residents affected	Shaun Barnes	TBC	TBC	
Additional promotion of pull out scheme	Shaun Barnes	TBC	TBC	

(2) Review and Monitoring
State how and when you will monitor policy and Action Plan

Please annotate your policy with the following statement:

‘An Equality Impact Assessment on this policy was undertaken on (date of assessment) and will be reviewed on (insert review date).’

AGENDA MANAGEMENT SHEET

Report Title: Finance & Performance Monitoring 2018/19 – Quarter 3

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Head of Corporate Resources

Portfolio: Corporate Resources

Ward Relevance: All Wards

Prior Consultation: None

Contact Officer: Mannie Ketley- Head of Corporate Resources & Chief Financial Officer

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

Enhance our local, open spaces to make them places where people want to be (EPR)

Continue to improve the efficiency of our waste and recycling services (EPR)

- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)

Statutory/Policy Background: Section 6.1 of the Council's Financial Standing Orders states that the Head of Corporate Resources:

Be responsible, in conjunction with the Executive Director and Heads for submitting periodic reports to Cabinet and Council during the year, indicating the anticipated financial position compared to original revenue and capital budgets indicating where expenditure is anticipated to exceed or income fall short of the budgeted amount by the margins agreed corporately for the purpose of budget monitoring.

Summary: This report sets out the 2018/19 Quarter 3 (Q3) financial and performance position for the Council based on Period 8 actual expenditure and income, plus any known risks or opportunities that have developed subsequently.

The report also presents proposed budget adjustments as required by Financial Standing Orders

Financial Implications: As detailed in the main report.

Risk Management Implications: This report is intended to give Cabinet an overview of the Council's spending and performance position for 2018/19 to inform future decision-making.

Environmental Implications: There are no environmental implications arising from this report.

Legal Implications: There are no legal implications arising from this report.

Equality and Diversity: No new or existing policy or procedure has been recommended.

Options: Members can elect to approve, amend or reject the supplementary budget requests listed at recommendations 2 to 9.

Recommendation:

- 1) The Council's anticipated financial position for 2018/19 be considered;
- 2) the HRA capital budget of £50,000 for 2018/19 for the Door Security Systems be returned to balances;

IT BE RECOMMENDED TO COUNCIL THAT:

- 3) a GF budget virement of £54,000 be approved for 2018/19 only from Regulatory Services towards the Corporate Savings Target. This is in relation to salary underspends within the service; and

- 4) performance summary and performance data included in Appendix 4 be considered and noted.

Reasons for Recommendation: A strong financial and performance management framework, including oversight by Members and senior management, is an essential part of delivering the Council's priorities and statutory duties

Cabinet - 4 February 2019

Finance & Performance Monitoring 2018/19 – Quarter 3

Public Report of the Chief Financial Officer

RECOMMENDATION

- 1) The Council's anticipated financial position for 2018/19 be considered;
- 2) the HRA capital budget of £50,000 for 2018/19 for the Door Security Systems be returned to balances;

IT BE RECOMMENDED TO COUNCIL THAT:

- 3) a GF budget virement of £54,000 be approved for 2018/19 only from Regulatory Services towards the Corporate Savings Target. This is in relation to salary underspends within the service; and
- 4) performance summary and performance data included in Appendix 4 be considered and noted.

1. INTRODUCTION

This is the third of the quarterly finance and performance monitoring reports for 2018/19, which combines both finance (revenue and capital) and performance monitoring. This is based on actual expenditure and budgets to the end of November 2018, plus any other known changes or risks that have developed subsequently. The purpose of the report is to inform Cabinet of the Council's overall financial and performance position for the year-to-date and the year-end projections as supplied by officers. A final report will be presented to Cabinet in June 2019 for year-end.

The key sections of the report are laid out as follows:

- General Fund (GF) Revenue Budgets - Section 3 and Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets - Section 4 and Appendix 2;
- Capital Budgets - Section 5 and Appendix 3;
- Performance – Section 6 and Appendix 4

Throughout the report, from a financial perspective, adverse variances to budget, expenditure overspends, and income shortfalls are shown as positive values. Favourable variances, such as expenditure underspends and additional income, are shown as negative values.

2. BACKGROUND

The 2018/19 General Fund revenue budget was balanced with net expenditure reduced by almost £850,000 or 7%. To achieve this, the budget approved in February 2018 included increased service savings and income, such as additional income from garden waste scheme, as well as higher income from council tax and business rates. These together addressed the shortfall in government funding and anticipated growth requirements to meet on-going inflation and service demand pressures over the coming year.

Whilst the Council continues to make efficiencies and drive forward the key Corporate priority of self-sufficiency, this does not take away from the significant challenges that are faced in future years as reported in the Medium Term Financial Strategy in April.

The final draft budget report for 2019/20 is presented to Cabinet elsewhere on this agenda.

3. GENERAL FUND (GF) REVENUE BUDGETS:

3.1 Overview and key messages

- There is an adverse variance to date of **£49,500** based on actual spend to the end of Quarter 3 against profiled budgets.
- General Fund portfolios show an anticipated favourable forecast variance of **£51,100** expected by 31st March 2019.
- After adding the portfolio underspend to the MRP and Net Cost of Borrowing underspends, along with the anticipated expenditure on voluntary redundancies (subject to Council approval), total General Fund Revenue is forecast to come in with a favourable variance of **£301,800** by 31st March 2019.
- The Corporate Savings Target for 2018/19 of **£360,000** has now been successfully achieved.

Community Advice and Support Team

The current forecast anticipates an adverse variance of **£337,200** relating to Temporary Accommodation use for homelessness. Between February and June demand had increased from 15 households to a peak of 36 households. Mitigating actions (see below) have now brought this figure down to 5 households as at 8th January 2019:

- the number of properties sourced through the Council's Private Sector Leasing Scheme (PSLS) has increased from 31 units in February 2018 to a current stock of 62 units as at January 2019;

- 10 units at Rounds Gardens have been released back into use for temporary accommodation licenses from September 2018, following the completion of survey work; and
- Additional staffing to assist individuals and families move from temporary accommodation into sustained tenancies in the private sector.

Demand upon the service is anticipated to remain high. Consequently, to mitigate further revenue implications over the period of the medium term financial plan, a Housing Acquisitions Fund was approved by full council in December 2018 with an indicative budget of £13m for capital investment in the provision of temporary accommodation.

In addition to the above, HRA stock will increase during 2018/19 and 2019/20 by 37 homes, as properties at Cawston Meadows and Rugby Gateway become operational. The Council also bid into the Additional HRA Borrowing Programme (2019/20 – 2021/22) launched by MHCLG in June 2018 to build/acquire a potential 85 homes at:

- Back Lane, Long Lawford (Section 106 Affordable Housing);
- HRA Garage Sites
- Gas Street Car Park

Following the abolition of the HRA Limit on Indebtedness (“Debt Cap”) announced by the Chancellor in his budget on 29th October 2018, MHCLG has indicated that Councils are now free to progress their proposals contained in the bid without reference to central government.

Housing Benefit Payments

Based on data gathered as part of the formal mid-year subsidy submission to government at the end of August, there has been a reduction in the overall level of debt associated with Housing Benefit payment, primarily due to the transition to Universal Credit. Consequently, the bad provision relating to the collection of Housing Benefit overpayments is forecast to be reduced by **£166,000** compared to budgeted estimates. This amount has also been reflected as a budget saving for 2019/20.

Minimum Revenue Provision

There is a **£214,000** underspend against the Minimum Revenue Provision (MRP) for the repayment of debt. The Council is required to make revenue provision for the repayment of all capital expenditure financed from borrowing in the year following the related capital expenditure. The repayment period is linked to the useful economic life of the asset.

Slippage on capital schemes in financial year 2017/18, notably vehicle purchases (£1,264,000) means that £214,000 set aside for 2018/19 is not currently required. The majority of the underspent 2017/18 budgets were carried forward into 2018/19 and are currently forecast to be underspent again in 2018/19. A consequent MRP saving for debt repayment in 2019/20 is reflected in the draft 2019/20 General Fund Revenue budget, included elsewhere on this agenda.

3.2 Major Variances

A summary of the key variances is included within the table below:

Portfolio/Service	Variance at Q3	Variance at Year-End
	£	£
Growth & Investment		
Art Gallery and Museum- The variance relates to an overspend on salaries due to casual staff working more hours than budgeted.	+5,600	+13,000
Benn Hall- The service has seen an increase in bar sales since the beginning of the financial year and is forecast to overachieve its income budget.	-14,800	-11,900
Queens Diamond Jubilee Centre- The variance relates to costs associated with repair works to the centre.	+18,000	+18,000
Sports and Recreation- The variance relates to salary costs within the On-Track Service. It is anticipated that the income that will be brought in to the service will be less than the associated staff costs.	+21,000	+18,800
Planning Services- The adverse variance reported at the end of November is mainly due to an underachievement of planning income. It is anticipated that a number of significant planning applications will be received by the end of the financial year, resulting in the forecast for income to come in largely on budget. However, it should be noted that due to the current economic uncertainty, there is a risk that developers may hold back their applications until the next financial year.	+165,300	+20,100
Other variances	+14,600	+2,800
Subtotal	+209,700	+60,800
Environment & Public Realm		
Car Parks- The variance relates to a projected underachievement of income on Pay and Display charges based on income-to-date.	+10,200	+15,800
Cemeteries- The variance relates to an anticipated overachievement of burial and licence income. This mirrors the trend seen in 2017/18 and the income budgets have been increased as part of the budget setting process for 2019/20.	-52,700	-44,400
Crematorium- The variance relates to an increase in cremation income compared to budget. The number of cremations carried out from April-November 2018 is 5% higher than the same period in 2017.	-17,300	-16,700
Domestic Waste & Recycling- The variance to year-end relates to an anticipated overachievement of recycling credits income compared to budget. This has been reviewed and adjusted as part of the budget setting process for 2019/20. There is also a projected underspend on development activities.	-49,100	-32,000

Parks, Open Spaces and Grounds Maintenance- There have been additional one-off maintenance costs of £10,000 on allotments which were required to transfer the remaining allotments over to the Allotment Associations.	+8,100	+13,400
Regulatory Services- There is £35,000 anticipated income from other Local Authorities with regards to investigative fly tipping works and £18,000 additional income from two successful court prosecutions.	-47,000	-55,800
Street Cleansing- The variance relates to an underspend on salaries due to several vacant posts within the service. Due to the on-going route optimisation process, these vacancies are being held open until the outcome of this process.	-34,500	-32,400
Trade Waste- There has been an overachievement of income due to increased customer demand. It is anticipated that the annual budget will be exceeded by £60,000 at year-end.	-40,000	-59,900
Travellers Enforcement- Expenditure to date for the enforcement and preventative measures with regards to Travellers occupying Council owned land. The Council has recently secured legal powers to stop illegal encampments on Council owned land, meaning offenders can be arrested within 24 hours if they do not comply. It is anticipated that this will reduce the amount of time that officers will need to spend working on these cases as they will be able act more quickly.	+33,300	+33,300
Other variances	-34,000	+1,000
Subtotal	-223,000	-177,700
Communities & Homes		
Community Advice & Support- Between February and June demand had increased from 15 households to a peak of 36 households. Mitigating actions have now brought this figure down to 5 households as at 8 th January 2019. The overall increased level of demand has meant that existing homeless people have remained in Bed and Breakfast accommodation for longer periods.	+299,700	+337,200
Customer & Information Services- The projected underspend at year-end relates to vacancies within IT. The ICT manager post has recently been filled with the post holder joining the Council in December. The new service manager will review on-going resource requirements.	-22,100	-29,800
Customer Support Services- The variance mainly relates to a projected underspend on salaries due to vacant posts and the acceptance of staff requests to work reduced hours.	-45,600	-30,900
Housing Benefit Payments- There has been a reduction in the overall level of debt associated with Housing Benefit payment, primarily due to the transition to Universal Credit. Consequently, a reduced bad debt provision has been forecast relating to the collection of Housing Benefit overpayments. This amount has also been made available as a budget saving for 2019/20.	+1,000	-166,200

Welfare Services -The service has seen an increase in demand for lifeline alarms following a recent marketing campaign.	-10,100	-10,100
Other variances	+7,000	+12,600
Subtotal	+229,900	+112,800
Corporate Resources		
Council Tax - The variance relates to salary underspends, mainly due to maternity leave and a vacant post which has not been filled. It is anticipated that these will be vacant for the remainder of the financial year.	-7,300	-22,600
General Financial Services - The variance relates to additional spend on payment card costs due to a higher volume of transactions. There have also been additional costs for audit fees in relation to Housing Benefit.	+12,500	+53,500
Other variances	-23,800	-9,500
Subtotal	-18,600	+21,400
Executive Directors Office		
Communications - The variance relates to income due to be received from the shared service with Nuneaton on Data Protection. This work is expected to be on-going and has been budgeted for 2019/20.	-11,200	-15,300
Electoral Services - The variance mainly relates to a contribution of income of £44,000 in relation to 2017/18 parliamentary elections.	-50,000	-49,900
Legal Services - The variance relates to a vacant Legal Services Team Leader post. This has been appointed to, with the post holder due to start in February 2019.	-67,000	-12,600
Other variances	-20,300	+9,400
Subtotal	-148,500	-68,400
Total	+49,500	-51,100
Other Corporate Items		
Voluntary Redundancies – Subject to Council approval on 05/02/2019, it is anticipated that voluntary redundancy costs will be incurred.		+42,700
Minimum Revenue Provision (MRP) – The variance is a result of underspends on several capital schemes in 2017/18, mainly on vehicle procurement.		-214,300
Net Cost of Borrowing – The underspends mentioned above have resulted in a lower borrowing requirement. In addition, there are higher yields on investments following the Bank Rate rise in August 2018. Average rates of return on the Council’s portfolio of investments are budgeted at 1.01% in 2019/20, 1.38% in 2020/21 and 1.81% in 2021/22.		-79,100
	+49,500	-301,800

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

3.3 Anticipated General Fund Balances

	£	£
GF Balance at 31st March 2018		-3,068,800
Contribution from balances 2018/19	+13,200	
Supplementary budget approvals	+205,600	
Anticipated variance to the end of 2018/19	-301,800	
Amount to be added to balances		-83,000
Anticipated GF Balance at 31st March 2019		-3,151,800

Positive Figures (+): Contribution from Balances
 Negative Figures (-): Contribution to Balances

The table above shows that GF balances are forecast to be nearly £3.152 million at the end of 2018/19, after considering the projected variance and other budget adjustments.

3.4. Business Rate Retention

The Council sets its business rates budget for 2018/19 based on the NNDR1 form that was submitted to Government on 31st January 2018. It was forecast that the Council would collect £48.8m of business rates during 2018/19, of which Rugby Borough Council would retain £5.5m.

Based on Quarter 3 figures, it is forecast that actual business rates income collected and accounted for in 2018/19 will be **£50.6m**, which is **£1.8m** higher than estimated. This is mainly due to the receipt of backdated business rates in 2018/19, in respect of properties that were operationally completed in 2017/18 but were not listed on the ratings list due to delays by the Valuation Office e.g. LEVC at Ansty Park.

However, due to complexities in the reporting and accounting of business rates this estimated in-year cash surplus translates to a forecast accounting deficit of **£270,600** against the 2018/19 budget. This is because, it is only the **budgeted** business rates income of £5.5m, as per the NNDR1, that will be credited to the General Fund in 2018/19. Therefore, the General Fund does not see any in-year benefit of the in-year cash surplus, as this is managed through the Collection Fund and will be recognised in future year budgets.

However, the 50% levy payment made to government is based on **actual** growth and because the Council has received a cash surplus in-year there is a larger levy to pay in 2018/19. Consequently, the Council's levy payment will be approximately £0.4m higher than budgeted.

This negative variance on the levy is partially offset by a higher gain from pooling with the Coventry & Warwickshire Business Rates Pool than originally estimated. It is forecast that the actual benefit will be similar to the 2017/18 figure of £340,000.

The following table details the estimated outturn position and a budget shortfall of £270,600 which will be drawn from the business rates reserve at the end of the financial year where necessary.

	2018/19 Budget	2018/19 Outturn	Variance
	£	£	£
RBC share of NDR Income @ 40% (as per the NNDR1 forecast)	-19,505,700	-19,505,700	0
Less Tariff	12,767,100	12,767,100	0
Gross Amount Retained	-6,738,600	-6,738,600	0
Section 31 Grants	-1,205,500	-1,189,200	16,300
Levy Payment	2,687,800	3,082,100	394,300
Net Retained Income	-5,256,300	-4,845,700	410,600
Coventry & Warks BR Pool Income	-200,000	-340,000	-140,000
Total Business Rates Income	-5,456,300	-5,185,700	270,600

3.5 Corporate Savings Target

As part of the Budget Setting process for 2018/19, a Corporate and Salary Savings Target of £200,000 was set. A further £160,000 was also budgeted to reflect the ongoing efficiencies that it is anticipated will be realised through digitalisation of services.

	End of Q3 £	To Year-End £
Corporate, Salary & Digitalisation Savings	-360,000	-360,000
Total	-360,000	-360,000

Following efficiencies seen in various areas of the Council, the £360,000 Corporate Savings Target has been successfully achieved by the end of Quarter 3. Included in this is a contribution of £54,000 as put forward in recommendation 3 of this report. Should this not be approved, the figures will be revised accordingly.

3.6 General Fund Risks

The main financial risks to the delivery of the forecast year-end position for 2018/19 are:

- **Community Advice and Support** – As reported, there are significant financial and operational pressures with regards to providing temporary accommodation. The amount of income that can be recovered through Universal Credit is less than the cost of provision, however, the Council is currently working through options to mitigate this risk.

- **Recycling Gate Fee** –Currently forecasting to be on budget, however, the level of fee paid is heavily influenced by the prevailing market conditions for the sale of recycled materials, which varies on a monthly basis. Therefore, the actual fee paid at year-end could vary significantly depending on the market conditions for the remainder of the year.
- **Traveller Enforcement**- As reported, there are current financial pressures with regards to Travellers occupying Rugby Borough Council land. This has resulted in costs of £33,300 to date. While the council's injunction has reduced the risk, this may increase if there are further instances within the final quarter of the financial year.
- **General Underspends**- Based on previous years trends, a favourable variance in the overall movement between Quarter 3 and Quarter 4 may be seen, as forecasts are often prudent. If this is the case, the Council may consider deploying some of this into specific reserves to mitigate potential pressures from 2019/20 onwards.

3.7 Supplementary Budget Requests

Recommendation 3- Due to various vacant posts within Regulatory Services, it is recommended that salary savings of £54,000 be put towards the 2018/19 Corporate Savings Target. The vacant posts have nearly all been recruited to and therefore this is a one-off saving only.

4 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

4.1 Context

Housing Rents were set by Council on 6th February 2018, in the context of rent policy changes from government, most notably the imposition of 1% rent reductions for the period 2016/17 until 2019/20. The impact upon income generation as a consequence of this change is estimated at £5.107m over the 4-year period.

Biart Place/Rounds Gardens

Council has received two reports in 2018/19 concerning the condition and potential options for both Biart Place and Rounds Gardens. On 27th September 2018 Council approved:

- Proceeding with the Biart Place redevelopment design and procurement;
- Installation of additional fire alarms at Rounds Gardens based on recommendations by the fire risk assessor and Warwickshire Fire and Rescue Service (upon the assumption tenants remain in the block for the duration of these works); and
- a further report to be submitted to Council updating information on structural surveys at Rounds Gardens.

The structural findings in respect of the blocks at both sites, which account for almost 10% in total of the Council's HRA stock, were unanticipated. The measures required to respond to these findings will have an extraordinary impact on the HRA's financial resources, which will impact on its ability to meet to both current and emerging housing needs. This will, in turn, have a potential impact on the General Fund, as unmet housing need has to be increasingly met via temporary accommodation. The Council has approached Central Government to establish what financial support they are able to provide to respond to these issues.

The draft HRA Revenue and Capital Budgets 2019/20 report to Cabinet (5th November 2018) included a recommendation that £5.839m set aside for the repayment of debt in 2018/19 is now utilised as Revenue Contributions to Capital Expenditure.

4.2 Overview and key messages

- There is an adverse variance to date of **£60,200**, based on actual spend to the end of the Quarter 3 and monitored against profiled budgets.
- HRA services show a forecast adverse variance of **£235,700** at year-end.

4.3 Major Variances

A summary of the key variances follows:

HRA Income and Expenditure	Variance at Q3	Variance at Year-End
	£	£
Rent income from dwellings – Void levels have increased from an estimated 1% to 3.2%, primarily as a result of the decanting of properties at Biart Place and intensive structural surveys at Rounds Gardens.	+90,700	+97,900
Staffing costs Forecast variance arising from: <ul style="list-style-type: none"> Salary and employment costs relating to 4 vacant posts (-£140,990, predominantly within the Property Maintenance and Housing Management-Tenancy Sustainment teams); offset by: Use of agency staff within Property Maintenance and Estate Management teams (+£23,390) 	-52,300	-117,600
Biart Place/Rounds Gardens - Additional security costs and risk measures at Biart Place and Rounds Gardens (24/7 floor walking, inspection of void properties, structural surveys, etc.) to minimise potential of a shock event. The forecast is based on the current timing of the decant process at Biart Place and ongoing risk measures at Rounds Gardens but may be subject to revision based on actual moves during Quarter 4. These pressures will be met from HRA revenue balances, which were enhanced in 2017/18 following the transfer of the Voluntary Revenue Provision (VRP) to HRA revenue balances.	+109,700	+270,500
Rent, rates, taxes, and other charges – Council tax charges payable by the Housing Revenue Account in its landlord function as the owner of empty premises at Biart Place.	+45,500	+68,600
Interest Payable & Investment income – Slippage within the HRA capital programme in 2017/18 has resulted in higher HRA cash balances within the year for investment, coupled with higher investment rates available as markets anticipated the rise in Bank of England base rate in August 2018.	-	-89,900
Other minor variances	-133,400	+6,200
Net Variance	+60,200	+235,700

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

4.4 Anticipated HRA Balances

	£	£
HRA Balance at 31st March 2018		-6,692,600
Supplementary Budget Approvals (Council 24 th April 2018: increased security costs/risk measures for Biart Place and establishing a guarantor/indemnity reserve – see 4.1)	+1,511,500	
Anticipated overspend to the end of 2018/19	+235,700	
Amount to be taken from balances		+1,747,200
Anticipated HRA Balance at 31st March 2019		-4,945,400

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

Major Repairs Reserve

The Major Repairs Reserve is an earmarked reserve for the capital financing of the planned element of replacement expenditure on council houses. The reserve earns interest on all balances which must also be used for this purpose. Significant expenditure to be charged to the reserve in 2018/19 includes:

- Disabled Adaptations (£200,000);
- Bathroom replacements (£350,000); and
- Heating Upgrades (£265,000)

	£	£
Balance at 31st March 2018		-1,579,500
Depreciation on non-current assets	-2,287,000	
Interest Received	-18,900	
Capital Expenditure charge (see above)	+1,626,500	
Amount to be added to balances		-679,400
Balance at 31st March 2019		-2,258,900

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

Housing Repairs Account

The Housing Repairs Account is an earmarked reserve for the financing of reactive and planned maintenance on council houses.

	£	£
Balance at 31st March 2018		-1,089,100
Contributions during the year	-3,675,600	
Forecast repairs and maintenance charged	+3,675,600	
Amount to be added to balances		0
Balance at 31st March 2019		-1,089,100

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

HRA Capital Investment Balances

HRA Capital Investment Balances are utilised to fund acquisitions (in tandem with a proportion of retained Right to Buy receipts) and other capital expenditure not financed via the Major Repairs Reserve, for example Housing Management System software, CCTV and Lifeline replacement equipment.

Acquisition and new build expenditure to be funded via HRA Capital Investment Balances in 2018/19 include:

- Cawston Meadows Houses
- Bell House Redevelopment

Further to Council approval (24 April 2018 and 27 September 2018) £2.990m of decanting costs, surveys, and structural modelling expenditure will be charged against balances in 2018/19 in respect of Biart Place and Rounds Gardens. Subject to further approvals, capital costs for this project will be charged against HRA Balances (Capital) and RTB Capital Receipts where applicable.

	£	£
Balance at 31st March 2018		-14,024,700
Contributions during the year	-5,839,000	
Capital Expenditure charge (see above)	+9,599,000	
Amount to be taken from balances		+3,760,000
Balance at 31st March 2019		-10,264,700

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

Right-to-Buy (RTB) Capital Receipts

The Council entered a 1-4-1 retention agreement with Ministry of Housing Communities and Local Government (MHCLG) in 2012 allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 3 years. Receipts under the 1-4-1 retention agreement that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Only 30% of the expenditure incurred on replacement housing may currently be financed from RTB receipts.

25 homes were sold under RTB in 2017/18 producing an average receipt of £85,000 (prior to pooling). 8 homes were purchased in 2017/18, including 3 at the Cawston Meadows site.

14 homes have been sold under RTB in 2018/19 up to 30th November 2018. A further 31 homes will be added to the portfolio from the Cawston Meadows development in 2018/19 in addition to an estimated 12 open market purchases.

	£	£
Balance at 31st March 2018		-6,606,300
Net contributions (after pooling)	-1,286,100	
Expenditure charged	+1,577,000	
(-) Increase / (+) decrease in RTB Receipts		+290,900
Balance at 31st March 2019		-6,315,400

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

5 CAPITAL:

5.1 General Fund Capital – Overview

- The General Fund capital programme is currently budgeted at £5.949m for 2018/19 (including £3.657m carry forwards from 2017/18.)
- At the end of Quarter 3, the General Fund capital programme shows an adverse variance of **£537,200** against profiled budgets.
- There is currently a forecast favourable variance to year-end of **£2,836,900**

5.2 General Fund Capital – Major Variances

A summary of the variances by portfolio is included within the table below:

Portfolio / Service Area	Variance at Q3 £	Variance to Year-End £
Growth and Investment	0	0
Communities and Homes		
Capital Digitalisation Work – a supplementary capital budget will be requested at year end to be met from the Digitalisation and Trading reserve. Expenditure to date relates to the ‘My Account’ interface for Council Tax and Housing Benefits.	+30,800	+30,800
Disabled Facilities Grant – a possible saving following a reduction in demand against anticipated expenditure. Officers will review further initiatives being developed by the HEART service in respect of aids and adaptations prior to further recommendations to Council.	0	-150,000
Other minor variances	+147,300	+3,800
Subtotal	+178,100	-115,400
Environment and Public Realm		
S.106 capital expenditure – a supplementary capital budget will be requested at year end against Section 106 funding. This is mainly for Cawston Community Hall.	+124,600	+124,600
Rainsbrook Cemetery Preparation – the budget is to be carried forward to facilitate specialist contractor procurement relating to works associated with the water table at the site.	-2,200	-194,100
Great Central Walk Bridges – Following works at Newton Bridge and Bridge Street Bridge in recent years a full survey of remaining works has now been concluded in conjunction with Warwickshire County Council. A programme of works commencing with priority activities at Clifton Road and Hillmorton Road bridges will commence in spring 2019. The	-9,300	-600,000

current budget is deemed sufficient for this programme and therefore no further budget has been requested in 2019/20. At year-end a carry-forward will be requested subject to any further revision in expenditure profile.		
Vehicles – Following the reorganisation of the waste and recycling rounds, there has been a delay in purchasing vehicles during 2018/19 whilst an assessment of route optimisation is concluded. At year-end a carry-forward will be requested. Current forecasts indicate that 12 new refuse vehicles will be required between 2019 and 2021.	+7,700	-1,448,600
Other minor variances	+182,000	-5,900
Subtotal	+302,800	-2,124,000
Corporate Resources		
Carbon Management Plan – the remaining budget for this scheme relates to the installation of solar PV panels at the Queens Diamond Jubilee Leisure Centre (QDJLC) and the Rugby Art Gallery and Museum (RAGM). Both projects are currently deferred pending structural review of roof space at QDJLC and potential Heritage Lottery funding at RAGM. At year-end a carry-forward will be requested subject to any further revision in expenditure profile.	0	-607,500
Other minor variances	+56,300	+10,000
Subtotal	+56,300	-597,500
Net Variance	+537,200	-2,836,900

Positive Figures (+): Overspend
Negative Figures (-): Slippage / Underspend

5.3 HRA Capital – Overview

- The HRA capital programme is currently budgeted at £14.678m for 2018/19 (including £7.258m carry forwards from 2017/18).
- At the end of Quarter 3, the HRA capital programme shows an adverse variance of **£1,675,000** against the profiled budget.
- There is currently a forecast favourable variance to year-end of **£1,616,000**.

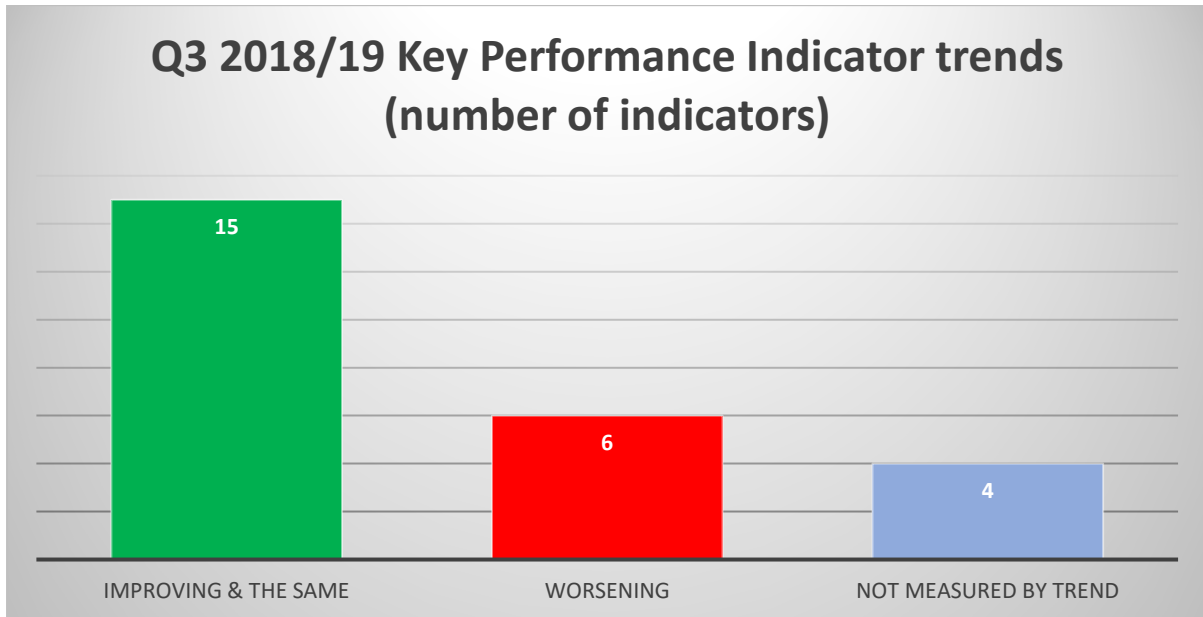
5.4 HRA Capital – Major Variances

Portfolio / Service Area	Variance at Q3 £	Variance to Year-End £
Housing Management System – following successful procurement earlier in the year, a project management plan has now been established for the implementation of the new system in 2019. The forecast variance reflects agreed contract prices with contingencies for interfacing 3 rd party software to the system where required.	+169,400	-351,300

Property Repairs Team Vehicles – Due to the reorganisation of waste and recycling rounds, there has been a delay in purchasing vehicles during 2018/19. At year-end a carry-forward will be requested.	0	-300,000
Lifeline Renewal Programme – at year-end a carry-forward will be requested for ongoing replacements to meet digital transition regulations.	+6,600	-49,000
CCTV Upgrades – at year-end a carry-forward will be requested whilst final appraisals are concluded and until future plans for the multi-storey flat sites approved.	0	-46,000
Door Security Systems – The budget is to be returned to the earmarked Sheltered Housing reserve. A comprehensive door security programme encompassing <u>all</u> communal blocks (sheltered and general needs) will commence in Spring 2019 and is included within the draft HRA capital programme for 2019 – 2022. Officers will engage in further consultation with sheltered housing tenants on specific projects to utilise the funds available in the Sheltered Housing reserve in forthcoming months.	0	-50,000
Kitchen Modifications – all contracted and scheduled works for 2018/19 have now been completed.	+41,400	-68,800
Fire Risk Prevention Works – the forecast expenditure relates to fire assessments at multiple locations currently underway.	+30,000	+27,000
Energy Efficiency Phase 2 – the programme is now under review to establish actual savings achieved in phase 1 and the implications of changes to grant figures and regime. It is anticipated that the review will be concluded in the first half of 2019. At year-end a carry-forward will be requested subject to any further revision in expenditure profile.	0	-900,000
Other minor variances	+1,427,600	+122,100
Net Variance	+1,675,000	-1,616,000

6. PERFORMANCE SUMMARY

This is the monitoring report for the third quarter of 2018/19 and the reported data can be seen in **Appendix 4**.



Out of the reported performance indicators to Cabinet 60% are showing improving or static trends. 24% have worsened since last quarter and contextual narrative has been provided by the officers and managers and can be viewed along with the performance data in **Appendix 4**. 16% of the reported indicators do not have trends charted.

When logging into the RPMS you should be using the link on the SharePoint home page. You should not need a username or password due to the single-sign-on process. If you are not able to access the RPMS via SharePoint then you will need to arrange the appropriate training with the Democratic Services team.

Training for members on how to navigate the RPMS and how to understand the content of the system will be provided in the New Year.

If there is specific performance data not covered in the appendix on a particular subject matter that you wish to review, then please request a performance report from the Corporate Assurance & Improvement team by emailing rpmssupport@rugby.gov.uk.

Name of Meeting: Cabinet
Date of Meeting: 4 February 2019
Subject Matter: Finance & Performance Monitoring 2018/19- Quarter 3
Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

General Fund**Revenue Budget Monitoring 2018/19 April 2018 to November 2018****Key:**

+ = over spend / income shortfall

- = under spend / additional income

	Profiled Budget to Qtr 3	Actual Spend to Qtr 3	Variance to Profile Qtr 3	Current Budget	Projection to Year-End	Variance to Year-End
Portfolio Expenditure :-	£'000	£'000	£'000	£'000	£'000	£'000
Growth & Investment	2,651	2,861	210	3,320	3,381	61
Corporate Resources	325	306	-19	1,066	1,087	21
Environment & Public Realm	4,654	4,432	-222	6,866	6,688	-178
Communities & Homes	10,641	10,871	230	1,944	2,057	113
Portfolio Expenditure	18,271	18,470	199	13,196	13,213	17
Executive Director's Office	1,476	1,327	-149	1,932	1,863	-69
	19,747	19,797	50	15,128	15,076	-52
Less Corporate Savings and Digitalisation Target				0	0	0
Less IAS 19 Pension Adjustment				-317	-317	0
Less Capital Charge Adjustment				-2,591	-2,591	0
Net Expenditure				12,220	12,168	-52
Net Cost of Borrowing				465	386	-79
MRP Adjustment				1,929	1,715	-214
Revenue Contribution to Capital Outlay				87	87	0
Contribution to Business Rate Equalisation Reserve				553	553	0
Voluntary Redundancies				0	43	43
Total Expenditure (before Parish Precepts)				15,254	14,952	-302
Parish Council Precepts & Council Tax Support				761	761	0
Total Expenditure				16,015	15,713	-302

Housing Revenue Account (HRA)

Revenue Budget Monitoring 2018/19 April 2018 to November 2018

Appendix 2

Key:

+ = over spend / income shortfall

- = under spend / additional income

Description	Profiled Budget to Qtr 3 £'000	Actual Spend to Qtr 3 £'000	Variance to Profile Qtr 3 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Income						
Rent income from dwellings	-10,527	-10,436	+91	-15,808	-15,710	+98
Rent income from land and buildings	-98	-94	+4	-150	-143	+7
Charges for services	-857	-821	+36	-1,286	-1,248	+38
Contributions towards expenditure	-70	-60	+10	-216	-195	+21
Total Income	-11,552	-11,411	+141	-17,460	-17,296	+164
Expenditure						
Transfer to Housing Repairs account	0	0	0	3,676	3,676	0
Supervision and Management	4,499	4,370	-129	5,648	5,740	+92
Rents, Rates, Taxes and other charges	0	48	+48	3	72	+69
Depreciation & Impairment	0	0	0	2,287	2,287	0
Debt Management Cost	0	0	0	15	15	0
Provision for Bad or Doubtful Debt	0	0	0	193	193	0
Amounts set aside for the repayment of debt	0	0	0	0	0	0
Total Expenditure	4,499	4,418	-81	11,822	11,983	+161
Net Cost of Services	-7,053	-6,993	+60	-5,638	-5,313	+325
HRA Share of Corporate & Democratic Core Costs	0	0	0	214	214	0
Interest Payable & Similar Charges	0	0	0	1,171	1,294	+123
Interest & Investment Income	0	0	0	-112	-324	-212
Net Operating Expenditure	-7,053	-6,993	+60	-4,365	-4,129	+236
Revenue Contributions to Capital Expenditure	0	0	0	5,839	5,839	0
Contributions to (+) / from (-) Reserves	0	0	0	56	56	0
Surplus(-)/Deficit(+) for year	-7,053	-6,993	+60	1,530	1,766	+236

Capital Budget Monitoring 2018/19
April 2018 to November 2018

Appendix 3

Key:
+ = over spend / income shortfall
- = under spend / additional income

Portfolio	Profiled Budget to Qtr 3 £'000	Actual Spend to Qtr 3 £'000	Variance to Profile to Qtr 3 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
Growth & Investment	0	0	0	0	0	0
Corporate Resources	25	81	+56	884	286	-597
Environment & Public Realm	233	535	+303	3,700	1,576	-2,124
Communities & Homes	842	1,020	+178	1,366	1,251	-115
Sub Total General Fund	1,100	1,636	+537	5,949	3,113	-2,837
Housing Revenue Account	3,087	4,762	+1,675	14,678	13,062	-1,616
Overall Total	4,186	6,398	+2,212	20,627	16,174	-4,453



Performance Appendix

Generated on: 24 January 2019

Service Area - Communities & Homes Service

Performance Indicator	Department	Current Value	Short Trend
Number of affordable homes delivered	Community & Projects	30	Improving
Latest Note			
<p>Bromford: 13x Social Rent consisting of 2x one bed house, 7x two bed house, 4x three bed house Clarion: 9x Shared Ownership Flats Orbit: 4x 3 bed houses social rent RBC: 4x Acquisitions</p>			
Number of homeless preventions and reliefs made by Rugby Borough Council	Community Advice and Support Team	111	Improving
Latest Note			
The number of preventions and reliefs increased in Q3. The Homelessness Reduction Act has started to become more 'bedded in' and prevention and relief activity is the main activity for the homelessness function within the CAST Team.			

Performance Indicator	Department	Current Value	Short Trend
Number of households in Bed & Breakfast at the end of Quarter	Community Advice and Support Team	7	N/A

Latest Note

As alternative forms of interim accommodation are being sourced and the number of allocations improves, B&B use remains low by recent standards.

Performance Indicator	Department	Current Value	Short Trend
Number of households in other types of temporary accommodation	Community Advice and Support Team	151	N/A

Latest Note

Although this represents an increase in overall temporary accommodation numbers, it shows that those who are entering temporary accommodation are being placed into more suitable (non-B&B) accommodation.

Service Area - Corporate Resources Service

Performance Indicator	Department	Current Value	Short Trend
Number of working days lost due to long term sickness absence	Human Resources	628	Getting Worse

Latest Note

Managers continue to work within the parameters of the Absence Management Policy. Early referrals to Occupational Health are offered for employees absent through musculoskeletal problems, stress or following surgery. Managers also receive absence management training as part of The Way We Manage Programme.

Given the rise in mental health related absence, the Council is introducing Mental Health First Aiders. 12 people have been trained to carry out this role and the scheme will be formally launched in February 2019. It is hoped that as the year progresses absence will be reduced.

Performance Indicator	Department	Current Value	Short Trend
Number of working days lost due to short term sickness absence	Human Resources	941	Improving

Latest Note

There has been a 2% reduction in short term sickness absence in this quarter.

Performance Indicator	Department	Current Value	Short Trend
Number of staff on long term sickness absence	Human Resources	29	Getting Worse

Latest Note

20 of the people on long term sickness absence were off for more than 20 days, of those 20 people 6 are now back at work, 2 have left and 12 are still absent.

Performance Indicator	Department	Current Value	Short Trend
Number of staff on short term sickness absence	Human Resources	217	Getting Worse
Latest Note			

In this quarter we have had a total of 217 people on short term sickness absence, of this 18 people were off with mental health related absence totalling 143.5 days. In the same period in 2017/18 213 people were absent and 17% was attributed to mental health related absence.

Performance Indicator	Department	Current Value	Short Trend
% of Council Tax collected (cumulative over 10 months per year)	Revenues Services	87.64%	Improving
Latest Note			

Q3 2018/19 value is higher than the same period in 2017/18 indicating that at this stage of the year the Council is on track to at least match last year's performance.

Performance Indicator	Department	Current Value	Short Trend
Percentage of Non-domestic Rates collected (cumulative over 10 months per year)	Revenues Services	85.05%	Improving
Latest Note			

Q3 2018/19 value is higher than the same period in 2017/18. It is expected that by the year end the collection rate will be in line with last year.

Service Area - Environment & Public Realm Service

Performance Indicator	Department	Current Value	Short Trend
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 5	Commercial Regulation	70.5%	Improving

Latest Note

There has been a slight increase but this is within expected fluctuations.

Performance Indicator	Department	Current Value	Short Trend
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above	Commercial Regulation	84.5%	Improving

Latest Note

There has been a slight increase but within expected fluctuations.

Performance Indicator	Department	Current Value	Short Trend
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above	Commercial Regulation	91.4%	No Change

Latest Note

The value has remained the same indicating continued general compliance is high.

Performance Indicator	Department	Current Value	Short Trend
Cumulative Tonnage of household waste sent for reuse, recycling and composting	Refuse & Recycling	11,324*	Not applicable
Latest Note			
*Q3 data is not yet available; the figure stated relates to Q2.			

Performance Indicator	Department	Current Value	Short Trend
Percentage of household waste sent for reuse, recycling and composting	Refuse & Recycling	55.2%	Not applicable
Latest Note			
*Q3 data is not yet available; the figure stated relates to Q2.			

Service Area - Growth & Investment Service

Performance Indicator	Department	Current Value	Short Trend
Average end to end time for Land Charge Searches (in days)	Development & Enforcement	4.83	Improving

Latest Note

Performance for this measure fluctuates according to the volume of incoming work, as the level of resources is relatively fixed. Higher volumes of incoming work increase the processing time and vice versa. Furthermore, the time taken depends on the complexity of each case – which in turn is generally linked to the age of the property. Cases which involve older properties take longer to process because there is more information to review - and vice versa. In addition to the above, a vacancy has just been filled in the team, which has helped to reduce the processing time.

Performance Indicator	Department	Current Value	Short Trend
Percentage of major planning applications determined within statutory time frame	Development & Enforcement	100%	No Change

Latest Note

13 out of 13 major planning applications were determined within the statutory time frame.

Performance Indicator	Department	Current Value	Short Trend
Percentage of non-major planning applications determined within statutory time frame	Development & Enforcement	94%	Improving

Latest Note

224 out of 238 non-major planning applications were determined within the statutory time frame.

Performance Indicator	Department	Current Value	Short Trend
Art Gallery and Social History Gallery combined visitors	Art Gallery, Museum, Visitor Centre & Hall of Fame	5,834	Improving

Latest Note

From December 2016 the Art Gallery and Social History Gallery are sharing a space, therefore the visitor figures represent both spaces. The improved visitor numbers for Q3 have been achieved despite the gallery being closed for 2 weeks for an exhibition changeover, and for 1-week for World Rugby events.

Performance Indicator	Department	Current Value	Short Trend
Archaeology Gallery visitors	Art Gallery, Museum, Visitor Centre & Hall of Fame	6,983	Getting Worse

Latest Note

There was a slight short term drop in numbers during Q3; however, there was an increase of 775 in comparison with December 2017.

Performance Indicator	Department	Current Value	Short Trend
Number of visitors to the Floor One Gallery	Art Gallery, Museum, Visitor Centre & Hall of Fame	6,755	Improving

Latest Note

The Q3 value for 2018/19 is 47% higher than the same period in 2017/18.

Performance Indicator	Department	Current Value	Short Trend
No. of visits to the Hall of Fame in person	Art Gallery, Museum, Visitor Centre & Hall of Fame	889	Getting Worse

Latest Note

Short term dip as expected due to the seasonal trend in visitor numbers.

Performance Indicator	Department	Current Value	Short Trend
Total number of young people contacts - Borough wide ages 5-19	Sport & Recreation	47,477	Improving

Latest Note

The number of young people contacts has increased by almost 17,000 compared with the same period last year. Owing to the additional funding in place to grow the Pay and On Track services, there has been an increase in activity. The On-Track service is running two additional youth clubs at Brownsover and Hillmorton, and the Play service is running an additional youth club at Dunchurch.

Performance Indicator	Department	Current Value	Short Trend
Leisure Centre Visits	Sport & Recreation	144,256	Getting Worse

Latest Note

The short term reduction reflects the operational shut down and reduced opening hours over a 10 day Christmas period. December visit data was comparable with previous years.

Performance Indicator	Department	Current Value	Short Trend
Number of participants - Family Weight Management	Sport & Recreation	132	Improving

Latest Note

The increase reflects the launch of courses for the new school year.

AGENDA MANAGEMENT SHEET

Report Title: Capital Strategy 2019/20 incorporating Investment and Treasury Management Strategy

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Head of Corporate Resources and CFO

Portfolio: Corporate Resources

Ward Relevance: ALL

Prior Consultation: Treasury Management Strategy 2018/19 – 2020/21 Cabinet 5 February 2018

Contact Officer: Mannie Ketley – Head of Corporate Resources and Chief Financial Officer, Tel: (01788) 533416

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

Enhance our local, open spaces to make them places where people want to be (EPR)

- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background:

The Council's capital financing and treasury management activities are strictly regulated by the Local Government Act 2003 and the CIPFA Codes of Practice for Capital Finance and Treasury Management in Local Authorities.

Summary:

This report is a new report for 2019/20, required by changes in CIPFA and the Ministry of Housing, Communities and Local Government (MHCLG) guidance. It combines an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. The strategies set limits and indicators that embody the risk management approach that the Council believes to be prudent. The strategies are set against the medium-term financial strategy, the context of the UK economy and projected outlook on interest rates. The investment strategy in section 5 pulls together information on commercial property to explicitly show the Councils risk management approach in that area.

Financial Implications:

The capital finance and treasury management indicators are set to ensure that the Council is guided into making prudent decisions on treasury management activities.

Risk Management Implications:

There are no risk management implications arising from this report.

Environmental Implications:

There are no environmental implications arising from this report.

- Legal Implications:** There are no legal implications arising from this report.
- Equality and Diversity:** No new or existing policy or procedure has been recommended.
- Options:** As this report complies with the Prudential and Treasury Management Codes of Practice, which have been approved by Council, no other options have been considered.
- Recommendation:** IT BE RECOMMENDED TO COUNCIL THAT -
- (1) the Capital Strategy for 2019/20 as an overarching strategy for the Council be approved;
 - (2) the Treasury Management Strategy for 2019/20 including associated limits and specific indicators (section 4 and Appendix B) be approved;
 - (3) the Investment Strategy for 2019/20 and associated limits and specific indicators (section 5 and Appendix C) be approved; and
 - (4) the Minimum Revenue Provision (MRP) policy be approved.

Reasons for Recommendation: To comply with the Codes of Practice

Cabinet - 4 February 2019

Capital Strategy 2019/20 incorporating Investment and Treasury Management Strategy

Public Report of the Head of Corporate Resources and CFO

IT BE RECOMMENDED TO COUNCIL THAT -

1. the Capital Strategy for 2019/20 as an overarching strategy for the Council be approved;
- 2 the Treasury Management Strategy including associated limits and specific indicators (section 4 and Appendix B) for 2019/20 – 2021/22 be approved;
- 3 the Investment Strategy for 2019/20 including associated limits and specific indicators (section 5 and Appendix C) be approved; and
- 4 the Minimum Revenue Provision (MRP) policy be approved.

Background Information

1 Introduction

The purpose of this report

1.1 This is a new report responding to a revised set of Codes and guidance that the Council must, by statute, have regard to. Section 3 gives a high-level overview of:

- how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services;
- how associated risk is managed; and
- the implications for future financial sustainability.

1.2 The Treasury Management Strategy at section 4 is the usual report that Cabinet has traditionally considered. It covers management of the Council's cash flows, borrowing and investments, and the associated risks. The Investment Strategy at section 5 is a new requirement for 2019/20 and covers investments held for service purposes or for commercial profit which were not included in the Treasury Management Strategy.

1.3 The changes to guidance are designed to bring together areas which CIPFA and MHCLG consider should be regarded in the round. They are also a response to the increasing commercialisation of local government and especially the increasing investment in commercial property. The guidance requires the Capital and Investment strategies to be approved by the full Council while the Treasury

Management Strategy can now be approved by Audit and Ethics Committee although here we follow the Council's existing Constitution that the Cabinet recommends the Treasury Management Strategy be approved by the full Council.

2 Background

Economic background

2.1 The Council's strategies must take account of expectations for the economy and specifically the finance sector. The Council receives advice on this from its advisors Link Asset Services, Treasury Solutions. Appendix A is a commentary by them on the current economic background, the outlook for creditworthiness and interest rates.

2.2 The forecast for the Bank Rate is that it rises gradually in the medium term but stays at levels that are below the historical average. For the purpose of the interest budget, new investments are estimated to achieve an average return of c.1% during 2019/20.

2.3 The treasury management environment remains difficult with yields and quality counterparties still reduced in the aftermath of the financial crisis of 2008 and with no return to pre-crisis rates in sight. Governments and regulators have put in place measures prompted by the crisis that restrict any government bail-out of individual financial institutions. This means an institution in difficulty may have to use its own resources and its deposits to continue to operate, exposing any depositor's capital to risk.

Statutory background

2.4 This report is part of the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Ministry for Housing, Communities and Local Government (MHCLG) Guidance.

2.5 The regulatory background has been complicated by the revision by both CIPFA and MHCLG codes and guidance. Both CIPFA and the MHCLG state they do not seek to prescribe precisely how councils invest but they clearly have concerns that some councils are taking increasing commercial risks using borrowed money. This approach means that Members are asked to look at a more extensive strategy so that more of the risks that the Codes and guidance highlight are apparent to Members.

Relevant Council policy

2.6 The Council's constitution requires that the Council approve Prudential Code indicators and the Treasury Management Strategy. The Investment Strategy covering:

- commercial investments: property;
- service investments: loans;
- service investments: shares; and
- loan commitments and financial guarantees

has been split from the traditional Treasury Management Strategy here for ease of understanding as it deals with a different type of investment, but it can be considered to be encompassed in the definition of the Treasury Management Strategy as used by the Constitution.

2.7 The existing Treasury Management Strategy 2018/19 and Prudential indicators were approved by the Council on 27th February 2018 the former having been previously approved by the Audit and Ethics Committee.

3 Capital Expenditure and Financing

Capital Expenditure

3.1 Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing or leasing).

3.2 Service managers bid annually to include projects in the Council's capital programme. Bids are compiled using HM Treasury's *Better Business Cases* model and should include:

- the strategic case: Outlining the fit with relevant national and local policies and strategies; the strategic case should clearly state the objectives which are to be delivered in **SMART** terms – if the objective cannot be measured in this way how will it be monitored? If it cannot be monitored the proposal cannot be judged as good value for money;
- the economic and financial case: Demonstrating CHOICE – a wide range of options (including do nothing as the benchmark) has been appraised, and that the preferred option offers optimum VFM in relation to costs, benefits, dis-benefits and risks. Demonstrates AFFORDABILITY - realistic capital and revenue costs and savings over the life span of the investment; and FUNDING - agreed sources of external finance and support where applicable;
- the management case Outlining the governance, plans, and resources that are in place for **successful implementation by** referring to agreed systems and processes (e.g. PRINCE 2) based on proven best practice where applicable; and
- the commercial case Outlining the **procurement arrangements** that ensure supply side can deliver requirements on an efficient market basis.

Bids are then collated by the Financial Services team who calculate the financing cost (which can be nil if the project is fully externally financed). The Senior Management Team (SMT) appraises all bids based on a comparison of service priorities against financing costs and makes recommendations to the informal cabinet. The final capital programme is then presented to Cabinet in January and to Council in February each year.

3.3 The current projected capital programme and financing is shown below. It includes current estimates for capital bids for 2019/20 and beyond. It will be revised if necessary as the 2019/20 budget process develops and the final figures incorporated into the Budget in February 2019 will constitute one of the prudential indicators required by the CPIFA.

Capital expenditure £m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Non-HRA	1.914	3.113	17.541	2.120	2.073
HRA*	6.884	13.062	4.142*	3.530*	3.530*
Total	8.798	16.175	21.683	5.650	5.603

** The council is currently undertaking options appraisal on the redevelopment / refurbishment of its multi-storey flat sites at Biart Place and Rounds Gardens. Formal approval for preliminary budgets (surveys, architectural plans, etc.) are included in the above. Full approval for complete project costs will be sought via council reports when final designs have been assessed. The council has approached central government to provide financial assistance in the redevelopment/refurbishment of the sites. In the event that only partial or no support is forthcoming there will be a corresponding impact on the net financing need for the year.*

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

Financing of capital expenditure £m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital receipts	1.535	1.935	4.505	0.505	0.505
Capital grants	0.770	0.586	0.586	0.586	0.586
Capital reserves	4.692	1.606	1.933	1.755	1.755
Revenue	1.961	10.792	1.549	1.835	2.645
Net financing need for the year	0.160	1.256	13.110	0.969	0.112

The Council's borrowing need (the Capital Financing Requirement)

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

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

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

£m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement					
CFR – non-housing	23.101	22.653	34.161	33.266	31.821
CFR – housing	61.632	61.632	61.632	61.632	61.632
Total CFR	84.733	84,285	95.793	94.898	93.453
Movement in CFR	-1.897	-0.448	11.508	-0.895	-1.445

Movement in CFR represented by					
Net financing need for the year (above)	-0.160	1.256	13.110	0.969	0.112
Less MRP/VRP and other financing movements	1.737	1.704	1.602	1.864	1.557
Movement in CFR	-1.897	-0.448	11.508	-0.895	-1.445

Minimum revenue provision (MRP) policy statement

3.8 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 also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

3.9 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 for financial year 2019/20:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, (*central government support for local authority capital expenditure is the amount of expenditure towards which revenue support grant will be paid to a local authority on the cost of its borrowing*) MRP will be charged on a 2% straight line basis.

From 1 April 2008 for all unsupported borrowing (*capital expenditure for which no direct central government support is available and is undertaken with reference to the Prudential Code*) (including PFI and finance leases) the MRP policy will be:

- **Asset life (annuity) method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction)

3.10 These options provide for a reduction in the borrowing need over approximately the asset's life.

3.11 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

4 Treasury Management

4.1 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 low risk appetite, providing adequate liquidity initially before considering investment return.

4.2 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, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

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

4.4 **Borrowing strategy:** The Council will move to an under-borrowed position over the period of the medium-term financial plan. This means that the total capital borrowing need (the Capital Financing Requirement), will not have been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow is used as a temporary measure. This strategy is prudent whilst investment returns remain low and to mitigate counterparty risk.

Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Head of Corporate Resources and Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of 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 a greater than expected increase in US interest rates, or in world economic activity or a sudden increase in inflationary 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.

4.5 Projected levels of the Council’s total outstanding debt (which comprises borrowing and leases) are shown below, compared with the Capital Financing Requirement. Statutory guidance is that debt should remain below the Capital Financing Requirement, except in the short-term. As can be seen from the table the Council expects to comply with this in the medium term.

£m	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt at 1 April	91.522	91.856	93.580
Expected change in Debt	-0.334	1.724	-8.498
Actual gross debt at 31 March	91.856	93.580	85.082
The Capital Financing Requirement	95.793	94.898	93.453

4.6 The table above demonstrates that the Council will be relying on internal borrowing i.e. using reserves and other cash resources that it holds rather than borrow from external sources. From projections of the capital programme and use of reserves this strategy is seen as sustainable in the medium term although the Head of Corporate Resources and Chief Financial Officer will monitor the actual position against the projections in order to be ready to respond should long-term external borrowing become advisable.

4.7 Affordable borrowing limit: Irrespective of plans to borrow or not, the Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit. In most cases, this would be a similar figure to the CFR. However, in the event that central government support is not available to assist with financing for the redevelopment/refurbishment of multi-storey flats within the borough, the boundary has been set at a level to facilitate the additional borrowing requirement to meet cost estimates for the schemes noted in reports to council to date.

Further details on borrowing are in Appendix B.

Operational boundary £m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	115.000	145.000	145.000	145.000
Total	115.000	145.000	145.000	145.000

Authorised limit £m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	125.000	155.000	155.000	155.000
Total	125.000	155.000	155.000	155.000

4.6 Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management and will be dealt with in the Investment Strategy in section 5 and Appendix C.

4.7 The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks and building societies, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy and the Council may request its money back at short notice.

4.8 Further detail on treasury investments are in Appendix C including limits and indicators which the Council is asked to consider.

4.9 Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Corporate Resources and Chief Financial Officer and staff, who must act in line with the Treasury Management Strategy as approved by the Council. The Audit and Ethics Committee receives a mid-year and full year report and is responsible for scrutinising treasury management decisions made.

5 Investment Strategy (loans, shares and property)

5.1 This section is the disclosure newly required by CIPFA and MHCLG guidance. Both bodies have concerns over the increasing risks that they see in the sector as councils start their own companies and make large commercial property purchases.

Investments for Service Purposes

5.2 The Council has the ability to makes investments to assist local public services, including making loans to local service providers and any Council subsidiaries that provide services although at the time of writing there are no subsidiaries. In light of the public service objective, the Council is willing to take more risk than with treasury investments. However, it still plans for such investments to generate a profit after all costs to offset risk.

5.3 Governance: Decisions on service investments are made by the full Council after the relevant Head of Service has submitted a comprehensive analysis in consultation with the Head of Corporate Resources and Chief Financial Officer and must meet the criteria and limits. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme in the budget report or by full Council. Further details on service investments are in Appendix C with a new limit of £20m on the total exposure to loans for service purposes and no exposure permitted for shares being held.

Commercial Activities

5.4 With central government financial support for local public services declining, the Council will invest in commercial property purely or mainly for financial gain. The Council has a legacy portfolio of investment property currently valued at £0.723m. These provide a net return after direct costs of 4% based on the last set of final accounts which value the assets at market value rather than historical value.

5.5 As financial return through rental income and/or capital appreciation is the main objective, the Council recognises the higher risk on commercial investment compared with treasury investments. The principal risk exposures include:

- individual vacancies;
- falls in market value; and
- changes in the overall and local economy.

Individual property risks are constantly monitored and managed by the Property Manager. In order that commercial investments remain proportionate to the financial capacity of the Council, these are subject to an overall maximum investment limit which is set at £60m. Should income not meet expectations the Council holds £6m of general reserves available to balance the revenue budget in the short term while the Property Manager reviews the performance of the portfolio.

5.6 Governance: Decisions on new commercial investments are made by the Senior Management Team and Cabinet after recommendation from the Asset Management Strategy Group in line with the criteria and limits approved by the Council in this strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme. Further details on commercial investments and limits on their use are in appendix C.

Other Liabilities

5.7 The Council has set aside £4.437m to cover risks of Business Rates Appeals. The Council may also at risk of having to pay for historic insurance claims from time to time but has not put aside any money because there is no reasonable assessment of the amount required. The Council is also committed to making future payments to cover its pension fund deficit should it arise.

5.8 Governance: Decisions on incurring new discretionary liabilities are taken by the relevant Head of Service whose portfolio budget would cover the crystallisation of a liability. These would be discussed at the corporate risk management meeting and final decisions as to recognition taken by the Head of Corporate Resources and Chief Financial Officer. New liabilities will be reported to full Council for approval or notification as appropriate. Further details on liabilities are in note 41 of the 2017/18 statement of accounts.

Revenue Budget Implications

5.9 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	13	14	12	15	13
HRA	24	21	22	25	28

The estimates of financing costs include current commitments and the proposals in the 2019/20 General Fund and HRA budget reports.

General Fund

The Medium Term Financial Strategy adopted by Council in April, included the following policies in relation to New Homes Bonus:

“A proportion of the Council’s NHB allocations be withdrawn from the base budget by the 2020, with the monies ring-fenced for revenue contributions to capital expenditure”

This policy was adopted in order to achieve one of the Council’s overarching corporate priorities: financial self-sufficiency. The organisation will need to taper its reliance on New Homes Bonus within its core income budget.

The implication of the adoption of this policy, is that the Council will finance a greater proportion of its capital programme using revenue resources with an equivalent reduction in the proportion of the programme being financed by borrowing.

Excluding the Housing Acquisitions Fund, this has the effect of allowing the Council to eliminate the need to borrow to finance its capital programme by 2022/23. Furthermore, the Council would also be able to make Voluntary Revenue Payments (VRP) from 2022/23 onwards, effectively meaning the Council will be making additional payments over and above its scheduled debt repayment. By continuing to make these overpayments the Council would eliminate the underlying debt for the General Fund by 2032, compared to an existing 2052 timeframe.

HRA

The ratio of financing costs within the HRA has fallen from estimates presented in the 2018/19 strategy as a consequence of diverting repayments of debt to revenue contribution to capital expenditure to commence works at Biart Place / Rounds Gardens subject to central government support.

5.10 **Sustainability:** Due to the long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 60 years into the future. The Head of Corporate Resources and Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because the net budget demand on the Council and the risks in the programme have been reviewed and fall within the Council’s tolerances.

Knowledge and Skills

5.11 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Corporate Resources and Chief Financial Officer is a qualified accountant with over 15 years' experience and the Property Manager is a fellow of RICS with over 20 years of experience in commercial property. The Council will support junior staff to study towards relevant professional qualifications.

5.12 Where Council staff do not have the knowledge and skills required, use is made of external advisers that are specialists in their field. The Council currently employs Link Asset Services, Treasury Solutions as treasury management advisers and for any significant property investment would use property consultants with specialist knowledge of the appropriate property sector. This approach ensures access to right knowledge and skills and can be more cost effective than employing such staff directly. The overarching requirement is that the Council has access to knowledge and skills commensurate with its risk appetite.

6 Other courses of action considered but rejected

6.1 The MHCLG Investment Guidance and the CIPFA Codes of Practice do not prescribe any particular strategies for local authorities to adopt. The above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below:

Alternative	Impact on income and expenditure	Impact on risk management
Adopt a narrower definition of "high credit quality" and/or shorter time limits	Interest income will be lower	Reduced risk of defaults leading to losses
Adopt a wider definition of "high credit quality" and/or longer time limits	Interest income will be higher	Increased risk of defaults leading to losses
Borrow additional sums at variable interest rates	Higher debt interest cost may be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default
Borrow additional sums at long-term fixed interest rates	Higher debt interest cost unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Reduce level of borrowing	Saving on debt interest likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

7 Staffing consequences

7.1 There are no staffing consequences apart from the need for appropriate training.

8 Financial consequences

8 .1 The budgeted treasury investment income in 2019/20 is £0.59m (2018/19 £0.56m), which is equivalent to an average investment portfolio of £38m at an interest rate of 1.6%. The budget for debt interest paid in 2019/20 is £2.196m (2018/19 £2.054m).

Appendix A Economic background and interest rate forecast

Economic background

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. It is unlikely that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Similarly, the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.00 – 2.25% in September 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We have, therefore, seen US 10 year bond Treasury yields rise above 3.2% during October 2018 and also seen investors causing a sharp fall in equity prices as they sold out of holding riskier assets.

Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Credit outlook

The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ring-fencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ring-fenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ring-fenced banks generally being better rated than their non-ring-fenced counterparts.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

%	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
Bank Rate	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.50	1.50
5yr PWLB Rate	2.00	2.10	2.20	2.20	2.30	2.30	2.40	2.50	2.50	2.60
10yr PWLB Rate	2.50	2.50	2.60	2.70	2.70	2.80	2.90	2.90	3.00	3.10
25yr PWLB Rate	2.90	3.00	3.10	3.10	3.20	3.30	3.30	3.40	3.50	3.50
50yr PWLB Rate	2.70	2.80	2.90	2.90	3.00	3.10	3.10	3.20	3.30	3.30

Appendix B Treasury Management Strategy

Present position and forecast

1 On 31 December 2018 the Council held £106.120m of borrowing and £93.496m of investments at market value; broken down as follows:

	Principal £'000
Call Accounts	5,391
Money Market Funds	10,000
Other Local Authorities	35,880
Pooled Funds	6,000
Bonds and Certificates of Deposit	36,225
Total Investments	93,496
PWLB	43,421
Other Long-Term Borrowing	38,700
Short Term Borrowing	23,999
Total Borrowing	106,120
Net Investments	-12,624

2 Taking the forecasts within the capital strategy, the balance sheet of the Council can be projected to estimate the amounts available for investments. Below is the current projected analysis of the balance sheet to illustrate the trajectory of the Council's funds.

Year End Resources £m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Fund balances / reserves	31.736	26.691	16.622	17.618	18.302
Capital receipts	8.802	8.802	6.031	4.031	3.931
Other	0.989	0.989	0.989	0.989	0.989
Total core funds	41.527	36.482	23.642	22.638	23.222
Working capital*	0.854	-3.661	-1.725	-0.520	-1.924
(Under)/over borrowing**	14.389	4.859	-3.037	-1.318	-8.498
Expected investments	56.770	37.680	18.880	20.800	12.800

3 Borrowing Strategy

The Council will move to an under-borrowed position over the period of the medium-term financial plan. This means that the total capital borrowing need (the Capital Financing Requirement), will not have been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow is used as a temporary measure. This strategy is prudent whilst investment returns remain low and to mitigate counterparty risk.

Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Head of Corporate Resources and Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates* (e.g. due to a marked increase of 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 a greater than expected increase in US interest rates, or in world economic activity or a sudden increase in inflationary 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.

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

4 Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board and any successor body
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- Capital market bond investors
- UK Municipal Bond Agency and other special purpose companies created to enable joint local authority bond issues.

5 In addition, capital finance may be raised by the use of leases and hire purchase that are not borrowing but may be classed as other debt liabilities.

6 The Council has previously raised most of its long-term borrowing from the PWLB, but it will, if required, investigate other sources of finance amongst the sources listed above, that may be available at more favourable rates.

7 Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities are required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for

any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

8 Short-term and variable rate loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Investment Strategy

9 The Council holds significant funds, representing income received in advance of expenditure plus balances and reserves held. In the past year, the Council's total investments have ranged between £50m and £90m and although the level of reserves is expected to reduce in the longer term, there will still be significant short to medium-term cash flow surpluses leading to larger sums being held than the core reserves of the Council would indicate.

10 Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

11 **Negative interest rates:** If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

12 Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to further diversify into more secure and/or higher yielding asset classes during 2019/20. This is especially the case for the estimated £10m - £20m cash balances that are available for longer-term investment. This diversification will represent a continuation of the present strategy that has moved investment into pooled funds and other local authorities.

13 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows rather than buying and selling investments and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

14 **Approved counterparties:** The Council may invest with any of the counterparty types in the table below; subject to the cash limits (per counterparty) and the time limits shown:

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporate	Registered Providers
AAA	£5m 5 years	£10m 20 years	£10m 50 years	£5m 10 years	£5m 20 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years	£5m 7 years	£5m 10 years
AA	£5m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years	£5m 4 years	£5m 10 years
A+	£5m 2 years	£10m 3 years	£10m 5 years	£5m 3 years	£5m 5 years
A	£5m 13 months	£10m 2 years	£10m 5 years	£5m 2 years	£5m 5 years
A-	£5m 6 months	£10m 13 months	£10m 5 years	£5m 1 year	£5m 5 years
None	£3m 6 months	n/a	n/a	£1m 1 year	£3m 1 year
UK Govt	Central government: £unlimited 50 years UK Local Authority: £10m 10 years				
Pooled Funds and real estate investment trusts			£5m per Fund or Trust		

This table must be read in conjunction with the notes below.

15 Credit Rating: Investment limits are set with reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

16 Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

17 Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

18 Building Societies: Although the regulation of building societies is no longer any different to that of banks the Council takes additional comfort from building societies' business model. The Council will therefore consider investing with unrated building societies where independent credit analysis shows them to be suitably creditworthy. A minimum asset size of £250m applies and limits of £3m per Society and £12m in total apply for unrated societies

19 Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years and with a UK local government body up to £6m for up to 10 years. The Council is confident that as a sector local authorities are secure investments in the context of support from Central Government and the legal surcharging framework that guarantees debts will be paid. However, for any investment over six months the financial resilience of the relevant council will be assessed.

20 Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment as part of a diversified pool in order to spread the risk widely.

21 Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain the likelihood of receiving government support if needed.

22 Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

23 Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. These types of funds were introduced in 2013/14 and have provided increased yield

although their capital value has shown some volatility requiring continued monitoring. This class of pooled funds are subject to their own specific limits and in view of the possible level of investments in the longer term they have been increased to give the Council reasonable investment options.

24 Real estate investment trusts (REITs): Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. This is a new category that sits alongside Pooled Funds. The Council will carry out detail appraisal and take advice before any possible investment. As these trusts are subject to volatility and are new instrument to the Council a limit of £1m is set for them.

25 Operational bank accounts: The Council may incur exposure through its current accounts to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but still subject to the risk of a bank bail-in and balances will therefore be kept below £5.0m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity. The Council currently banks with Lloyds Banking Group rated A-.

26 Long Term investments: Alongside pooled funds the Council may use long term investments when they are appropriately secure over the term of the investment. A limit of £20m has been set total long term (over a year) investments.

27 Risk Assessment and Credit Ratings: Credit ratings are monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be ended at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

28 Where a credit rating agency announces that a rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then no investments other than call investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

29 Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the Council's credit rating criteria.

30 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances,

the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

31 Investment limits: The Council's revenue reserves available to cover investment losses are forecast to be in the region of £8m on 31 March 2019. In order that no more than 2/3 of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Cash flow management

32 The Council's officers maintain a detailed cash flow forecast for each coming year revising it as more information is available. This informs the short-term investments such as those to cover precept payments. The forecast is compiled on a prudent basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Long term investment strategy is based on the Council's medium term financial strategy.

Treasury Management Indicators

33 Security benchmark: the Council has adopted a voluntary measure of its exposure to credit risk by monitoring the historic risk of default of its investments against a maximum target rate.

As an example, based on historic data, a AAA (least risk) rated investment has 0% chance of default within 1 year and a 0.05% chance of default within 3 years. A BBB+ (most risk) rated investment has a 0.23% chance of default within 1 year and a 1.20% chance of default within 3 years.

	Target
Historic risk of default	0.25% (max)

34 Interest rate exposures: this indicator is set to control the Council's exposure to interest rate risk. New CIPFA guidance has led to a change in this indicator which is now an upper limit on the one-year revenue impact of a 1% rise or fall in interest rates. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

	Limit
Upper Limit on one-year revenue impact of a 1% rise in interest rates	
Upper Limit on one-year revenue impact of a 1% fall in interest rates	

Maturity structure of borrowing

35 This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing are shown below.

Maturity structure of fixed interest rate borrowing		
	Lower	Upper
Under 12 months	0%	75%
12 months to 2 years	0%	75%
2 years to 5 years	0%	75%
5 years to 10 years	0%	75%
10 years to 20 years	0%	75%
20 years to 30 years	0%	75%
30 years to 40 years	0%	75%
40 years to 50 years	0%	75%

Principal sums invested for periods longer than a year

36 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total long-term principal sum invested to final maturities beyond the period end will be:

Maximum principal sums invested > 364 days			
£m	2019/20	2020/21	2021/22
Principal sums invested > 364 days	£20m	£20m	£20m

Other Treasury Management issues

37 The CIPFA Code requires the Council to include the following in its treasury management strategy.

38 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

39 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives,

including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

40 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

41 **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Head of Corporate Resources and Chief Financial Officer believes this to be the most appropriate status.

Appendix C Investment Strategy

1. This Investment Strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by the Government in January 2018, and focuses on the support of local public services by lending to or buying shares in other organisations or its own subsidiaries (service investments) and commercial property investment income.

Service Investments: Loans

2. The Council can lend money to local bodies or its subsidiaries to support local public services and stimulate local economic growth. Historically the Council has only done this in very limited circumstances where a significant service outcome is expected. At present the Council has no such loans.

3. There is no intention to increase the use of loans to local bodies and they are expected to be infrequent. The Council could lend to a potential subsidiary should it recommend the creation of a housing company, but this has not been subject to Council approval so the Council report that approves the setting up of any subsidiary would also amend the Investment Strategy limit.

4. The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding exposure will be set at £20m.

5. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts from 2018/19 onwards will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

6. **Risk assessment:** The Council will assess the risk of loss before entering into service loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help meet and how these will evolve over time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Head of Corporate Resources and Chief Financial Officer. All loans will be subject to contract agreed by Head of Legal and Democratic Services. All loans must be approved by full Council and will be monitored by the Head of Corporate Resources and Chief Financial Officer.

Service Investments: Shares

7. The Council does not currently invest in any shares and has no agreed plans to do so. If the Council creates a local housing company it may mean that the Council would need to invest as the shareholder of its subsidiary. As details are not known the limit on investment in this type of share will be set at zero and any change to the limit would be addressed in the report to the Council in setting up any subsidiary.

8. **Security:** One of the risks of investing in shares is that they potentially fall in value meaning that the initial outlay may not be recovered. To limit this risk upper limits on the sum invested in local subsidiaries will be set at the lowest practical level if and when exposure is allowed.

9. **Risk assessment:** The Council would assess the risk of loss before entering into and whilst holding shares by going through an extensive process of risk

analysis. The risk analysis will include an assessment of the market that the subsidiary will be active in including the nature and level of competition, how the market/customer needs will evolve over time, the barriers to entry and exit and any ongoing investment requirements. The Council will use external advisors as thought appropriate by Head of Corporate Resources and Chief Financial Officer.

10. **Liquidity:** Although this type of investment is fundamentally illiquid, to limit this the Council, when it sets a limit in this area, will initially set out the maximum periods for which funds may prudently be committed and how the Council will ensure it stays within its stated investment limits.

11. **Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's required upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

12. The Council owns a small portfolio of Investment Property which are predominantly 'legacy' properties. Investment properties are defined as those that are used solely to earn rentals and/or for capital appreciation.

The movement in the fair value of the investment properties over 2017/18 is as follows:

	£'000
Balance at 1 st April 2017	695
Net gains/(losses) from fair value adjustments	28
Balance at 31 st March 2018	723

13 Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income & Expenditure Statement. The same treatment is applied to gains and losses on disposal.

14 Rentals received in relation to investment properties result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustments Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes. This means that market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant.

15. **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

16. The commercial properties are revalued each year-end by external valuers so the Council will each year consider whether the underlying assets provide security i.e. are not below their purchase cost. Should this be the case the Head of Corporate Property will consider whether his current course of action in holding the assets is appropriate and bring any alternative actions to Council in an update to the Investment Strategy for that year.

17. **Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by:

- a. assessing the relevant market sector including the level of competition, the barriers to entry and exit and future market prospects;
- b. using advisors if thought appropriate by the Head of Corporate Resources and Chief Financial Officer;
- c. consulting Council's Asset Management Working Group
- d. taking a final comprehensive report on all new investments to Cabinet
- e. continually monitoring risk in the whole portfolio and any specific assets

18. **Liquidity:** Clearly property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed the Property Manager ensures that at least £5m of commercial property could be sold as a going concern within a six-month period.

Loan Commitments and Financial Guarantees

19. Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not provide such commitments and guarantees, and this strategy does not include them for 2019/20. As noted above, if the Council creates a potential subsidiary which may, or may not, require commitments or guarantees dependent on its legal structure. the required limits will be set as a part of the Council report on the setting up of a subsidiary.

Proportionality

20. The Council is likely to become more dependent on profit generating investment activity to achieve a balanced revenue budget over time. The table below shows the current extent to which the expenditure planned to meet the service delivery objectives is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Strategy. Should it fail to achieve the expected net profit, the Council has general reserves to cover the immediate shortfall in income and Head of Corporate Property would review the

cause of any shortfall and identify any actions needed to ensure the income shortfall is remedied.

Proportionality of Investments £m	2017/18 Actual	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget
Gross service expenditure	36.324	32.353	33.802	32,202	33,138
Investment income	792	895	623	602	629
Proportion	2%	3%	2%	2%	2%

23. Capacity, skills and culture

Elected Members and statutory officers: The Council recognises that those elected Members and statutory officers involved in the investments decision making process must have appropriate capacity, skills and information to enable them to:

- o take informed decisions as to whether to enter into a specific investment;
- o to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- o to enable them to understand how new decisions have changed the overall risk exposure of the Council.

The Council will ensure that the relevant officers and the Members of Audit and Ethics Committee and Asset Management Working Group have appropriate skills, providing training and advisor support where there is a skills gap.

24. Commercial deals: The Council will ensure that the Audit and Ethics Committee, Asset Management Working Group, Cabinet, and officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.

25. Corporate governance: Any investment decisions will be scrutinised by Senior Management Team, Asset Management Working Group, and Cabinet before final approval. The Overview and Scrutiny committee review all decisions made by the Cabinet. Although after the event the Committee can make any recommendations to the Council if it sees fit.

Investment Indicators

26. The Council has set the following quantitative indicators to allow elected Members and the public to assess its total risk exposure as a result of its investment decisions.

27. Total risk exposure: The first indicator shows the total exposure to potential investment losses.

Total investment exposure £m	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	52.385	37.680	18.880
Service investments: Loans	-	-	-
Service investments: Shares	-	-	-
Commercial Investments: Property	0.723	0.750	0.780
TOTAL INVESTMENTS	53.108	38.430	19.660
Commitments to lend	-	-	-
Guarantees issued on loans	-	-	-
TOTAL EXPOSURE	53.108	38.430	19.660

28. **How investments are funded:** Government guidance is that these indicators should include how investments are funded. The Council does not currently hold **any** investment assets with particular liabilities (i.e. associated borrowing). All the Council's investments are funded by usable reserves and income received in advance of expenditure.

29. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	0.9%	1.1%	1.6%
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	4%	4%	4%

The MHCLG guidance lists other indicators including:

- Commercial income to net service expenditure ratio;
- Benchmarking of returns – ratio of property income yield to IPD property yield index averaged over 5-year period;
- Average vacancy level; and
- Operating overheads of property section attributable to commercial property as a proportion of net property income

These indicators will be published in future reports at the point when the Council invests in significant service investments (loans and shares) or commercial property acquisition.

Name of Meeting: Cabinet

Date of Meeting: 4 February 2019

Subject Matter: Capital Strategy incorporating Treasury Management Strategy 2019/20 – 2021/22

Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

AGENDA MANAGEMENT SHEET

Report Title: Review of civic funerals

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Executive Director

Portfolio: Corporate Resources

Ward Relevance: N/A

Prior Consultation: Group Leaders

Contact Officer: Claire Waleczek, Democratic Services Team
Leader Tel: 01788 533524 or e-mail:
claire.waleczek@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

Enhance our local, open spaces to make them places where people want to be (EPR)

Continue to improve the efficiency of our waste and recycling services (EPR)

- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background:

Summary:

Cabinet on 8 March 2010 considered a report concerning the future of mayoral services including a proposed protocol for civic funerals. Cabinet decided to disregard this protocol and this matter has not been reviewed since that time.

Financial Implications:

There are financial costs to the Council arising from any civic funerals. There is no specific budget allocated for these.

Risk Management Implications:

There are risk management implications relating to road closures for any civic funeral.

Environmental Implications:

There are no environmental implications arising from this report.

Legal Implications:

There are no legal implications arising from this report.

Equality and Diversity:

There are no equality and diversity implications arising from this report.

Options:

1. The Council no longer arranges civic funerals and approves the policy at Appendix 2.
2. The Council continues to make arrangements for civic funerals and approves the policy at Appendix 3.

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT –

(1) the Council no longer makes arrangements for civic funerals; and

(2) the policy relating to the death of a civic figure, as at Appendix 2 to the report, be approved.

Reasons for Recommendation: To bring the Council's protocol in line with other local authorities and guidance from National Association of Local Councils (NACO).

Cabinet - 4 February 2019

Review of civic funerals

Public Report of the Executive Director

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT –

(1) the Council no longer makes arrangements for civic funerals; and

(2) the protocol relating to the death of a civic figure, as at Appendix 2 to the report, be approved.

1.1 Introduction

Cabinet on 8 March 2010 considered a report concerning the future organisation of mayoral services, including a proposed policy for the arrangements of civic funerals. Cabinet decided that the proposed policy be deleted from the report and disregarded (minute 175 – 2009/10). A review of the arrangements for civic funerals has not been undertaken since that time.

1.2 Background

Historically, if requested by the deceased's family, the Council has made arrangements for a civic funeral of a past Mayor of the Borough. The Council has never had a formal protocol on arrangements for a civic funeral.

The Council has traditionally incurred costs such as hire of venue for the wake, flowers at the church, orders of service although these elements have varied. The cost of elements of the service are discussed with the family and agreement reached on allocation of these costs.

Arrangements have required significant resources from the Democratic Services team.

1.3 Protocol and guidance

The Civic Ceremonial Handbook, written by Paul Millward, Chair of the National Association of Civic Officers (NACO), advises that, with regard to civic funerals, Councils would only normally attend a funeral formally if the deceased was a serving member of the authority. In some Boroughs the Council only attend formally at a funeral of a Mayor who has died in office. Its general advice is that the overriding factor should be that of the family's wishes and if they want a civic presence at the funeral. There is no reference to a local authority being responsible for any arrangements for such a funeral.

Officers have consulted several neighbouring authorities to ascertain their protocol and procedures relating to civic funerals. None of the authorities consulted arrange civic funerals or have a formal protocol for them. Details of those consulted and any procedures followed by these Councils are detailed in Appendix 1 to the report.

1.3 Options

1.3.1 Discontinue arrangements for civic funerals

This option would ensure the Council follows guidance by NACO and would also ensure it was consistent in its approach with neighbouring local authorities. Costs to the Council would reduce significantly.

A proposed protocol for this option outlining arrangements is attached at Appendix 2.

1.3.2 Continue with arrangements for civic funerals

This option would result in the Council not following guidance by NACO and would also be inconsistent with neighbouring local authorities. There would continue to be a cost to the Council.

A proposed protocol for this option outlining arrangements is attached at Appendix 3.

1.3 Conclusion

The Council currently offers the option of a civic funeral, which is not in line with national guidance and no other neighbouring local authorities make such arrangements.

Name of Meeting: Cabinet
Date of Meeting: 4 February 2019
Subject Matter: Review of civic funerals
Originating Department: Executive Director

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

Appendix 1

Name of authority	Other arrangements in lieu of civic funerals
Daventry District Council	None
Harborough District Council	<ul style="list-style-type: none"> - Chairman and Chief Executive attend funeral if family wishes - Minute's silence at next available Council meeting - Letter of condolence sent by Chairman - Flowers/donation sent as appropriate
Hinckley and Bosworth Borough Council	<ul style="list-style-type: none"> - Minute's silence at next Council meeting for any Mayor or Member who has died in office
North Warwickshire Borough Council	<ul style="list-style-type: none"> - Current Mayor attends funerals of Past Mayors, serving Councillors and Freemen of the Borough if in accordance with family's wishes
Nuneaton and Bedworth Borough Council	<ul style="list-style-type: none"> - Borough flag flown at half-mast upon the death of a serving Councillor/MP, past Mayor, a serving Mayor, a Freeman of the Borough, an Honorary Alderman of the Borough, a citizen of the Borough on active service in Her Majesty's Armed Forces – always between sunrise and sunset on the day of the funeral for an existing serving MP or Councillor but from sunrise until straight after the funeral for a Past Mayor (usually for approximately two hours). For a serving Mayor the flag is flown at half mast from the day of the announcement of death to immediately after the funeral.
Warwick District Council	None

Protocol for death of civic figure

This protocol will apply to the death of:

- the serving Mayor
- Past Mayors
- Honorary Aldermen
- Freemen of the Borough
- Any serving member of the Council

- (1) The Council will usually be notified by a member of the deceased's family or undertakers. If notification is via a Member/employee, the information will be verified with undertakers or an appropriate member of the family.
- (2) Honorary Aldermen, Freemen of the Borough, all Members of the Council and Senior Management Team will be notified of the death as soon as possible.
- (3) When funeral arrangements are known, a further e-mail with details of how to make a personal donation or send flowers will be sent to Honorary Aldermen, Freemen of the Borough, all Members and Senior Management Team.
- (4) A letter of condolence will be sent to the family on behalf of the Council from the Mayor and Executive Director.
- (5) A funeral wreath, or donation in lieu of flowers to charity chosen by the family, will be sent by the Mayor on behalf of the Borough.
- (6) The Mayor and Executive Director should attend the funeral if the family wishes.
- (7) If attending the funeral, the Mayor will wear the badge of office on a black ribbon, not full regalia.
- (8) The Borough Flag will be flown at half mast on the day of the funeral.
- (9) The Mayor will announce the death and hold a minute's silence at the next available Council Meeting.
- (10) A press release will be prepared by the Council's Communications Team.

RUGBY BOROUGH COUNCIL

CIVIC FUNERALS POLICY

1. Introduction

For many years the Council has offered the option of a civic funeral for current and former Mayors. It is an opportunity to acknowledge the contribution to the civic life of the borough made by those in their role as first citizen.

It is important, however, that the basis upon which a civic funeral is held, and the extent of the Council's contribution, are fully understood by everyone involved in its planning. The purpose of this policy is to set out the responsibilities of both the Council and family of the deceased.

2. Notification of Death to the Council

Because of the nature of the arrangements to be made, it is important that the family of the deceased notifies the Council as soon as possible after the death that a civic funeral is required. This can be done by the next of kin, or if they would prefer, the appointed funeral director, by telephoning the Legal, Democratic and Electoral Services Manager on 01788 533521.

An initial meeting will be arranged to be attended by the next of kin and the Legal, Democratic and Electoral Services Manager to make appropriate arrangements.

3. Who is entitled to a Civic Funeral?

- (i) The current Mayor, if he or she passes away during their mayoral year, and
- (ii) past Mayors of Rugby who have passed away within ten years of their term of office.

4. Venue for Civic Funerals

Civic funerals will normally be held at the parish church of St. Andrew's in Rugby. The civic party will process on foot from the Town Hall to the church before the service. If the family wishes, the civic party may follow the funeral cortege.

Where the deceased worshipped at or had special connections with another church or other place of worship, the Council will discuss with the next of kin what their, and the deceased's wishes were, for the venue for the funeral service. Wherever possible these will be accommodated. The family does, however, need to be aware that if a different venue is chosen, it may not always be possible, for logistical reasons, to have a traditional procession to the venue.

5. The Role of the Council in Civic Funerals

The Council will undertake the following activities in connection with a civic funeral:

- (i) Notifying councillors, honorary aldermen and freemen of the death and the arrangements for the funeral.
- (ii) Agreeing the venue for the funeral with the next of kin.
- (iii) Booking, but not paying for, the venue for the funeral service including any minister's or priest's fee.
- (iv) Agreeing the layout and content of the Order of Service in liaison with the deceased's next of kin and the priest.
- (v) Printing and paying for the Order of Service.
- (vi) Paying for flowers for the venue up to a maximum contribution of £200. The Council will also provide a wreath on behalf of the Borough to be sent direct to the funeral directors, if the family wishes.
- (vii) Arranging the temporary closure of the road leading from the starting point of the procession to the funeral venue.
- (viii) Booking, and paying for, the hire of the Benn Hall/Rokeby Room for a reception after the funeral service, if required. If the family wishes to book an alternative venue, this would be paid for by them.

6. Responsibilities of the Next of Kin

Next of kin of the deceased will be responsible for the following matters, where required:

- (i) Notifying family and friends of the death and the placing of notices in the media.
- (ii) Agreeing with the Council, and paying for, the venue for the funeral.
- (iii) Agreeing the layout and content of the Order of Service with the priest.
- (iv) Arranging and paying for any music, musicians or singers to be provided at the funeral service.

- (v) The engagement and payment of funeral directors.
- (vi) Arranging and paying for a coffin and associated expenses.
- (vii) Arranging and paying for any burial or cremation service after the civic funeral service.
- (viii) The provision of a funeral car, following cars and family floral tributes.
- (ix) Payment and booking of venue for reception after any burial or cremation service if the Rokeby Room/Benn Hall is not to be used.
- (x) The provision, arrangement and payment for catering at a reception after any burial or cremation service, if required.

AGENDA MANAGEMENT SHEET

Report Title: Draft Housing Revenue Account Capital & Revenue Budgets 2019/20 and Medium Term Financial Plan 2019-23

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Head of Corporate Resources and CFO and Head of Communities and Homes

Portfolio: Communities and Homes and Corporate Resources

Ward Relevance: ALL

Prior Consultation: Draft Housing Revenue Account Capital & Revenue Budgets 2019/20 and Medium Term Financial Plan 2019-23 Cabinet 5 Nov 2018

Contact Officer: Mannie Ketley, Head of Corporate Resources and Chief Financial Officer 01788 533416
Raj Chand, Head of Communities and Homes 01788 533737

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

- Deliver digitally-enabled services that residents can access (CH)
- Understand our communities and enable people to take an active part in them (CH)
- Enhance our local, open spaces to make them places where people want to be (EPR)
- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background: The Council has a statutory duty to set an annual Housing Revenue Account (HRA) revenue budget that will enable it to determine the level of council house rents.

Summary: The primary purpose of this report is to present a summary draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2019/20 based on updated budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).

Financial Implications: As detailed within the report and appendices.

Risk Management Implications: There are no risk management implications arising from this report.

Environmental Implications: There are no environmental implications arising from this report.

Legal Implications: There are no legal implications arising from this report.

Equality and Diversity: A full Equality Impact Assessment will be presented with the final budget report at Council on 5th February 2019.

Options: Not applicable

Recommendation:

(1) The draft revenue and capital budgets at Appendices A and B for 2019/20 be noted; and

(2) IT BE RECOMMENDED TO COUNCIL THAT, following the abolition of the statutory HRA Limit on Indebtedness (“debt cap”), a local indicator of £110m be agreed for the period 2019-2023.

Reasons for Recommendation:

To give Cabinet an updated view of the Housing Revenue Account revenue and capital budgets for 2019/20 onwards.

Cabinet - 4 February 2019

**Draft Housing Revenue Account Capital & Revenue Budgets
2019/20 and Medium Term Financial Plan 2019-23**

**Public Report of the Head of Corporate Resources and CFO
and Head of Communities and Homes**

RECOMMENDATION

(1) The draft revenue and capital budgets at Appendices A and B for 2019/20 be noted; and

(2) IT BE RECOMMENDED TO COUNCIL THAT, following the abolition of the statutory HRA Limit on Indebtedness (“debt cap”), a local indicator of £110m be agreed for the period 2019-2023.

1. INTRODUCTION

The Council is required by the Local Government and Housing Act 1989 (section 74) to keep a Housing Revenue Account (HRA) which records all revenue expenditure and income relating to the provision of council dwellings and related services. The use of this account is heavily prescribed by statute and the Council is not allowed to fund any expenditure for non-housing related services from this account. In addition, the Act ensures that the HRA does not fall into a deficit position.

In accordance with the constitution, the Council is required to carry out an annual review of rents and notify tenants not less than 28 days prior to the proposed date of change.

The Council has a retained housing stock of nearly 3,800 homes and manages an additional 60 leasehold properties with an annual rent roll in excess of £15.500m.

The primary purpose of this report is to present a summary draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2019/20 based on initial budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).

A final budget and rent setting report will be presented at Special Council on 5th February 2019.

2. BUDGET AND POLICY FRAMEWORK

A number of consultations were released by The Ministry of Housing, Communities and Local Government (MHCLG) during the summer and autumn of 2018. These included:

- Green Paper: *A New Deal For Social Housing*;
- Use of receipts from Right to Buy Sales; and
- Rents for Social Housing from 2020/21

Rugby Borough Council submitted responses to all consultations (copies were included as Appendices to the previous HRA Capital and Revenue 2019/20 Draft Budget report) and, at the time of writing, is awaiting government's response the Council's proposals.

Biart Place and Rounds Gardens – potential refurbishment or regeneration

Council has received two reports in 2018/19 concerning the condition and potential options for both Rounds Gardens and Biart Place. On 27th September 2018 Council approved:

- Proceeding with the Biart Place redevelopment design and procurement;
- Installation of additional fire alarms at Rounds Gardens based on recommendations by the fire risk assessor and Warwickshire Fire and Rescue Service (based on the assumption tenants remain in the block for the duration of these works); and
- a further report to Council updating information on structural surveys

The structural findings in respect of the blocks at both sites, which account for almost 10% in total of the Council's HRA stock, were unanticipated. The measures required to respond to these findings will have an extraordinary impact on the HRA's financial resources, which will impact on its ability to meet to both current and emerging housing needs. This will, in turn, have a potential impact on the General Fund, as unmet housing need has to be increasingly met via temporary accommodation. The Council has approached MHCLG to establish what financial support they are able to provide to respond to these issues and is awaiting a response from the Secretary of State.

To ensure that the Council has earmarked balances to commence potential demolition and rebuild costs (notwithstanding central Government financial support) in 2019/20, it is proposed that £5.082m that would otherwise have been set aside for the repayment of debt as part of the HRA Medium Term Financial Plan will be utilised as Revenue Contributions to Capital Expenditure.

Until such point as central Government financial support is confirmed the updated HRA Medium Term Financial Plan (Appendix C) contains continuing Revenue Contributions to Capital Expenditure in place of voluntary debt repayments. Adjustments have also been made for temporary rent loss and additional interest on debt where timelines can be estimated.

Future Limits on Borrowing (“the debt cap”)

The Prime Minister announced on 3rd October 2018 that the government would be “*scrapping that cap*” in reference to the authorised limit for indebtedness for the HRA. A consultation paper was issued shortly after the announcement and the borrowing cap formally lifted as part of the Budget proposals on 29th October 2018.

In the absence of a regulated debt cap officers have examined alternative measures to ensure the Council complies with the Prudential Code for Capital Finance in Local Authorities. The Code advocates a principles-based approach which allows each local authority to determine its own prerequisites, whilst taking account of any statutory requirements.

Within the registered social housing provider sector, the nearest peer group to local authorities are housing associations. When seeking investment housing associations are typically assessed by commercial funding bodies on their interest cover metric. This examines the level of net rent generated by the organisation in comparison to its forecast debt costs. Typically, a ratio of 2:1, that is, net rent at double the level of debt costs is considered prudent to mitigate risks. Rugby Borough Council’s current HRA interest cover level is 7:1, that is net rent is seven times more than its debt costs. If the Council were to mirror the approach taken by housing association funders therefore it has the capacity to sustain borrowing for investment purposes at the following levels:

Average financing costs – interest rate	Converted debt cap £’m
2.80%	124
2.90%	120
3.00%	115
3.10%	110
3.20%	108
3.30%	105
3.40%	102
3.50%	100

For reference interest on the current HRA debt pool is 1.99%. The Council’s treasury advisors, Link Asset Services latest central forecast for long-term PWLB borrowing rates over the period of the medium term financial plan are as follows:

%	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21
25yr PWLB Rate	3.00	3.10	3.10	3.20	3.30	3.30	3.40	3.50	3.50
50yr PWLB Rate	2.80	2.90	2.90	3.00	3.10	3.10	3.20	3.30	3.30

Forecasts and rates remain subject to volatility as a consequence of the ongoing uncertainty regarding the outcome of the UK’s withdrawal from the European Union. Given the range of outcomes, a local level on indebtedness is therefore recommended at £110m in 2019/20 to provide:

- Capacity to increase the Council's HRA Capital Financing Requirement to meet regeneration/refurbishment costs at the multi-storey flat sites subject to central government support; and
- Subject to support for the schemes above, capacity to increase the stock base via bids on developer affordable housing projects and/or RBC projects

The level of indebtedness will be reviewed at least annually as part of the Council's capital financing and treasury management estimates process. In addition, as part of the appraisal process for all significant HRA capital investment schemes, the potential impact upon the level of indebtedness will be published in conjunction with recommendations to Council.

3. REVIEW OF HRA BALANCES

The HRA draft budget for 2019/20 (Appendix A) takes into account the effect of the final year of the 1% rent reduction and the 30-year HRA financial plan has been updated to reflect changes, including high-rise site redevelopment/refurbishment, where the impact can be forecast.

HRA Revenue Balance

The level of the HRA Revenue balance was re-assessed prior to rent setting in 2018/19 considering potential risks arising from the Council's capacity to manage in-year budget pressures and the wider reform and regulatory environment. As part of the report to Council on 27th April 2018 concerning high rise sites, it was further recommended that the budgeted HRA voluntary debt repayment for 2017/18 of £4.992m was reallocated to revenue balances to bring them above the minimum assessment assumed at the time of rent setting in light of the revised circumstances. Supplementary budgets totalling £1.512m have been approved in 2018/19 to:

- Provide full-time security and fire safety presence at Biart Place and Rounds Gardens; and
- Establish a guarantor / indemnity reserve of £160,000 to mitigate potential losses arising from the increase in private sector allocations.

After assessing for the above, the estimated HRA Revenue balance at 31st March 2019 will be **£4.945m**. This level is considered prudent to meet further revenue costs arising from decisions on the future of the high-rise sites and other potential risks moving forward over the term of the HRA Medium Term Financial Plan.

Major Repairs Reserve

The Major Repairs Reserve (MRR) reflects the need to replace major components as they wear out. This funding, together with previous allocations of supported borrowing and revenue contributions, has enabled the Council to maintain the housing stock in a good condition. As the housing Green Paper draws specific reference to "what constitutes a decent home" balances will require reviewing in light of any regulatory changes in future years. The forecast balances will rise over the period of the medium term financial plan to replenish funds utilised in the Window Replacement programme 2015-2018 as follows:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Balance b/fwd	2,365	1,622	2,055	2,516
Appropriations from the HRA Revenue Budget	2,075	2,173	2,201	2,267
Interest Received	15	15	15	15
Financing of Capital Expenditure	-2,833	-1,755	-1,755	-1,755
Balance c/fwd	1,622	2,055	2,516	3,043

Housing Repairs Account

The Housing Repairs Account is an earmarked reserve used to mitigate the risks associated with cyclical and responsive repairs over time. The forecast balance over the period of the medium term financial plan is **£1.090m**.

Housing Capital Investment Balances

In addition to the above, the Council has also made revenue contributions set aside for capital investment in prior years to fund new build, estate regeneration and other works, for example, upgrades to the Housing Management System software. Capital investment balances will be utilised to fund redevelopment and refurbishment costs at Biart Place and Rounds Gardens over the period of the HRA Medium Term Financial Plan subject to availability of financial support from Central Government. Costs in excess of available balances will be met via additional borrowing. Where Right-to-Buy (RTB) receipts are utilised to fund replacement homes, only 30% of the total cost may currently be funded from this source. The forecast balances over the period of the medium term financial plan are as follows:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Balance b/fwd	9,840	3,892	2,092	2,437
Contributions from HRA	5,082	4,380	3,918	4,148
Capital Financing for New Build / Acquisitions / Other Projects	-11,030	-6,180	-3,573	-3,680
Balance c/fwd	3,892	2,092	2,437	2,905

Right-to-Buy (RTB) Capital Receipts

The Council entered a 1-4-1 retention agreement with MHCLG in 2012 allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 3 years. Receipts under the 1-4-1 retention agreement that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Only 30% of the expenditure incurred on replacement housing may be financed from RTB receipts. As noted in section 2, MHCLG is consulting on changes to the use of Right-to-Buy receipts and the Council's response to the consultation is included at Appendix D of this report.

It is assumed that 25 homes will be sold under the Right-to-Buy per year over the period of the medium term financial plan producing an average receipt of £85,000 per property (prior to pooling). Forecast balances over the period are as follows:

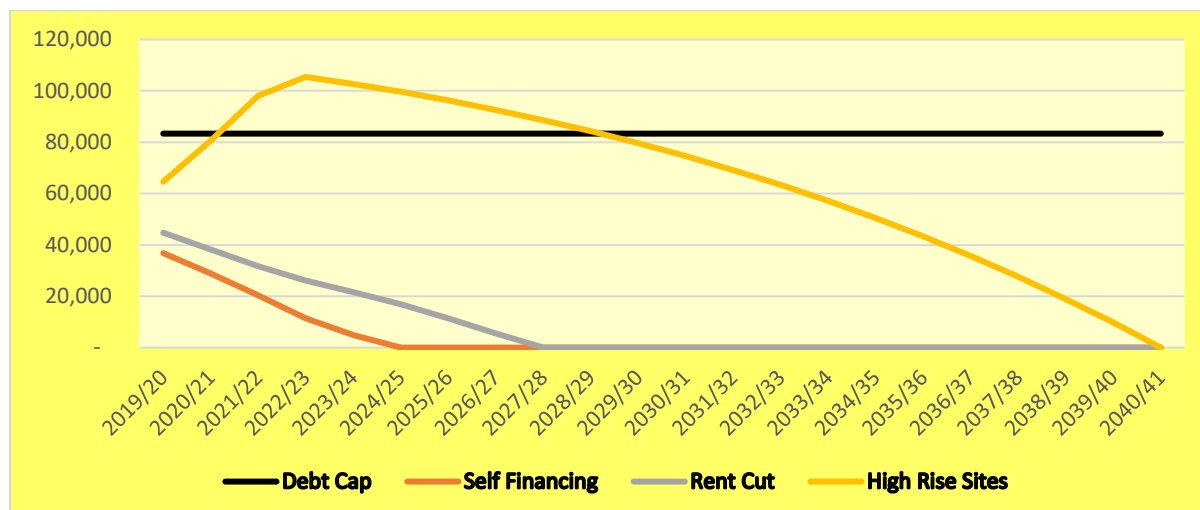
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Balance b/fwd	5,929	3,829	2,729	2,629
Net Pooling Contribution	900	900	900	900
Capital Financing for New Build / Acquisitions	-3,000	-2,000	-1,000	-500
Balance c/fwd	3,829	2,729	2,629	3,029

4. MEDIUM TERM FUNDING OPTIONS

The financial impact of the 1% rent cut on the Council's capacity to meet its HRA self-financing debt repayment schedule was outlined to Cabinet in January 2016. Subsequently a revised schedule of debt repayment was approved as part of rent setting in 2017/18 and refreshed in 2018/19.

As noted in sections 2 and 3, sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment/refurbishment costs at the high-rise sites. In the absence of Central Government financial support, the revised debt repayment schedule will now extend to **2040/41**, subject to sensitivity around project timelines and cost estimates.

The chart below compares the original debt repayment schedule (*self-financing*), the revised schedule following the 1% rent cut (*rent cut*), and the updated schedule in light of the current redevelopment/refurbishment estimates (*high-rise sites*).



Reducing the level and extending the timeline of debt repayments to 2040/41 will increase the net interest payable by the HRA during this period. All debt rescheduling and increases to the HRA debt pool will be undertaken in conjunction with the principles set out in the Council's Treasury Management Strategy.

An updated HRA medium term financial plan reflecting the above position is included at Appendix C.

The remainder of the report concentrates on proposals for 2019/20 including:

- Rent
- Service Charges
- Performance management – voids and debt collection
- Expenditure assumptions
- Housing repairs and capital programme
- Capital financing

5. RENT

Background

The Welfare Reform and Work Bill 2015 introduced a requirement for local authorities and other registered providers to reduce rents by 1% a year for four years beginning 2016/17. Previous guidance (Spending Review 2013) was for registered providers to increase rents by no more than the Consumer Price Index (CPI) inflation rate plus 1% per year. In 2019/20 this would have produced a rent increase of 3.40% (September 2018 CPI + 1%). The Council implemented the rent change in 2016/17, with an estimated cumulative rent differential over the 4-year period of £5.107m.

On 4th October 2017, the Department for Communities and Local Government (DCLG) announced that social landlords will be allowed to increase social housing rents “limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020.” This represents a return to previous rent settlement, which was meant to run from 2015 to 2025 but was replaced with a 4-year reduction by 1% annually from 2016.

Following scrutiny of the bill in the House of Lords, exemption from the policy was granted for one year for sheltered accommodation in 2016/17. Special Council on 1st March 2016 therefore recommended that rents for properties in this group were frozen and the subsequent difference in rent charged set aside to an ear marked reserve. The impact in 2019/20 is £52,050.

Properties below target rent (the equivalent rent in the Housing Association sector) are still allowed to have rents uplifted to that rate at the point of vacancy and subsequent relet, with rents then decreased by 1% in the next financial year. It is estimated that 150 homes below target rent will be relet during 2019/20 based on historic trends and stock availability following the decant of Biart Place.

Rent estimates for 2019/20 assume a stock level of 3,650 HRA properties at the start of April 2019. It is estimated that stock will fall by an estimated 25 Right-to-Buy sales in year which will be mitigated by the purchase of 38 open market homes (including 26 at Cawston Meadows). A void rate of 1.00% (excluding any decant properties) is estimated for 2019/20 (see page 11 for details).

Rent Calculation

The calculations for rents are based on average rents over the entire year, i.e. without any free weeks. 2019/20 is a 53-week rent year. Rugby Borough Council employs a policy of 4 rent-free weeks per year. This would usually mean that 2019/20 was a 49-week rent collection year. However, to ensure compliance with the Welfare Reform and Work Bill’s provision that tenants pay 1% less than the

preceding relevant year an additional rent-free week will be established to maintain a 48-week charging year.

The following calculations are based on stock numbers as at November 2018.

	2018/19 £'s	2019/20 £'s	Average % Decrease	Average £ Decrease
Average Weekly Rent (53-week basis)	81.48	80.67	1.00	0.81

Since 2019/20 is a 48-week rent year the rents will be charged accordingly and therefore the figures shown here are for illustrative purposes. Estimated rental income from dwellings of £15.547m for 2019/20 has been included within the draft HRA revenue budgets as shown in Appendix A. The estimate is based on the central business case of:

- An average 1% void rate across the stock;
- 25 Right-to-Buy sales in 2019/20;
- Acquisition of new build properties at Cawston Meadows and Rugby Gateway; and
- 150 re-lets where rent is uplifted to target rent.

For each 1% change in the void rate the HRA rent loss is equivalent to £155,470. Each additional RTB sale produces an average rent loss of £4,100 in a full year. The average target rent in 2019/20 (53-week basis) will be £89.23 as compared to the average current rent of £80.67 (see above.)

6. SERVICE CHARGES

In line with government guidance, the Council carried out an exercise of depooling rent and service charges in 2006/07. This enabled tenants to see the estimated amount spent on services that had previously been included within the rent. Income from service charges is estimated at £1.173m in 2019/20 (including a void allowance of 1.00%).

The average weekly impact upon utilities and cleaning service charges arising from the estimates of costs associated with that service in 2019/20 (on a 52-week basis) is as follows:

Charge Type	Average Charge p/w (52 wk basis) £	Average Change p/w £
Communal Lighting - Electricity (Rebateable – eligible for Housing Benefit)	1.48	0.00
Communal Heating - Gas (Rebateable – eligible for Housing Benefit)	0.40	0.03
Communal Cleaning (Rebateable – eligible for Housing Benefit)	2.62	+0.29
Communal Heating – Gas (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	6.84	-0.22

Independent Living Co-ordinator, Concierge and Estate Officer charges have been reviewed in light of the redevelopment/refurbishment projects at Biart Place and Rounds Gardens and the impact of door security improvements across sheltered housing blocks incorporated within the HRA capital programme 2019/20 to 2021/22. The average weekly impact upon these charges arising from the estimates of costs associated with that service in 2019/20 (on a 52-week basis) is as follows:

Charge Type	Average Charge p/w (52 wk basis) £	Average Change p/w £
Independent Living Co-ordinator	8.58	-2.42
Concierge	2.44	-0.18
Estate Officer	17.42	-1.27

7. PERFORMANCE MANAGEMENT

The financial management of the HRA is directly linked to key performance in a number of operational areas – void management, rent collection and arrears recovery.

Void Management

There is a direct relationship between the time a property remains void and the rent foregone. Consequently, ensuring that homes are relet in the most efficient manner is a key priority for housing service staff.

For 2019/20 the target for void property rent and service charge loss will be set at 1.00%, equating to £155,470. Most recent performance data shows void loss running at 1.73% which has been influenced by the requirement to keep several flats at the Rounds Gardens site vacant whilst intrusive structural surveys were completed.

Rent Collection/Bad Debt Provision

The collection rate for rent and service charges and the performance in managing rent debt is critical to the financial position of the HRA and has a direct impact on the amount of bad debt provision that has to be set aside.

Government had originally intended to introduce Universal Credit on a phased basis from October 2013. However, full Borough-wide implementation for new claimants was not introduced until October 2015 and the transition for existing claimants on legacy benefits is scheduled for completion in 2023.

Arrears greater than 4 weeks amounted to £1.149m as at 10th January 2019. The level of rent arrears has been reviewed in year and will be monitored until final budget setting in February. The HRA's contribution to bad debt provision is currently estimated at £61,250 in 2019/20 reflecting the above circumstances.

8. EXPENDITURE – ASSUMPTIONS

Employee costs

The HRA budgets are based on the current staffing establishment and an increase in pay of 2% for 2019/20 based on the National Joint Council agreement. Progression through pay scales and increased employer contributions to the Local Government Pension Scheme have also been included in the base budget.

Several members of staff spend their time on both HRA and General Fund activities and as a result staff costs are split based on percentages of time relevant to services.

Utility Costs

Gas and electricity costs have been estimated to attract the following inflation in 2019/20:

	Inflation Rate
Gas	2.5%
Electricity	2.5%

The level of utility costs is subject to variation as further information about future energy inflation and current consumption is refined prior to rent setting.

Central Recharges

These costs are currently estimated at £2.060m in 2019/20 and include the HRA's proportion of Corporate Property, ICT, Legal, Human Resources, Payroll and other costs.

Charges for Capital

MHCLG and the Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidelines regarding council dwelling depreciation and impairment to coincide with the introduction of 'self-financing'. Depreciation is used to provide a measure of the cost of the economic benefits embodied in an asset that have been consumed during the year. Estimates for 2019/20 charges are based around this guidance and there is a decrease of £0.212m on financial year 2018/19. If the final depreciation charge for 2019/20 is less or more than the estimate (£2.075m), the

excess or deficit is transferred to the Major Repairs Reserve to ensure the smoothing of costs for major works over the medium term.

Amounts set aside for the repayment of debt/ Revenue Contributions to Capital Expenditure

The HRA business plan initiated at the point of self-financing assumed that all in-year surpluses would be utilised in the repayment of debt, subject to the maintenance of a prudent HRA working balance. Prior to the introduction of the 1% rent cut and the redevelopment/refurbishment projects at high rise sites, estimates were that the HRA self-financing debt allocation of £72.949m would be repaid in 2024 (12 years following the settlement). As noted in sections 2 and 3, sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment/refurbishment costs at the high-rise sites. In the absence of Central Government financial support, the revised debt repayment schedule will now extend to 2040/41, subject to sensitivity around project timelines and cost estimates.

Unlike the General Fund, there is no statutory requirement to set aside money from revenue for debt repayment within the HRA allowing flexibility to adjust debt repayment considering HRA business planning needs in future years.

9. HOUSING REPAIRS & MAJOR WORKS

Housing Repairs

Housing repairs expenditure covers both planned and responsive maintenance, some of which is capital funded. The funding is split between:

- the Housing Repairs Account for revenue expenditure such as boiler servicing, electrical inspections, etc.; and
- the Major Repairs Reserve (MRR) for capital works including the replacement of significant components (kitchens, bathrooms, central heating, etc.)

The transfer to the Housing Repairs Account in 2019/20 is estimated at £3.769m (£3.676m 2018/19). The increase (£0.093m) is accounted for by:

- Cyclical gas servicing works – (£20,000);
- Materials cost inflation - (£30,000); and
- Other miscellaneous items including pay awards / increment progressions – (£43,000)

Major Works

The Council is required to produce a capital programme which takes account of at least the next three financial years. The full programme is included at Appendix B. Material items within the programme include:

Heating Upgrades (£870,000)

The proposals for 2019/20 to 2023/24 include a heating upgrade/replacement programme of approximately 1500 properties (300 per annum) as part of the lifecycle replacements funded via the Major Repairs Reserve.

Bathrooms (£360,000)

The proposals for 2019/20 include a bathroom replacement programme of approximately 140 properties to ensure continuing compliance with Decent Homes standards. A further 540 replacements will be undertaken in the period 2020/21 to 2023/24. Funding is via the Major Repairs Reserve.

Communal Door Replacements and Door Entry Systems (£292,000)

The proposals for 2019/20 – 2021/22 include replacement of all 110 communal block doors with fob access intercom systems.

Commercial Boilers at Tanser Court (£105,000)

Condition reports indicate that the remaining life span for these commercial boilers is coming to an end. Any salvageable parts being will be retained as spares for Lesley Souter House. Funding is via the Major Repairs Reserve.

Acquisitions (£1,685,000)

To maintain compliance with its retained Right-to-Buy 1-4-1 Agreement with MHCLG the Council will acquire approximately 12 properties in 2019/20. The average cost of acquisition is estimated at £140,000 of which a maximum 30% (£42,000) is currently funded via Right-to-Buy sales receipts. The balance (70%) is funded via Housing Capital Investment balances.

10. CONCLUSION

The estimates contained within this report represent the most up-to-date information and sensitivity analysis available in preparing the HRA revenue budget for 2019/20 and the HRA medium term financial plan 2019-23. Further changes may arise from the following operational and policy areas:

- Revisions to cost estimates, project timelines, and external funding in relation to Biart Place and Rounds Gardens redevelopment/refurbishment schemes;
- Staffing and other change arising from the on-going Housing Service Review;
- Revisions to inflation estimates impacting construction industry materials and labour costs; and
- Direct and indirect impact of efficiency measures arising from:
 - Digitalisation measures
 - Structure and delivery mechanisms of support service recharges

Any changes made to any of the recommendations will potentially affect the content of the subsequent appendices. If any changes to the rent setting levels are proposed, it is important to be clear about the effects of the change and to build these in during the consideration of each recommendation.

Name of Meeting: Cabinet

Date of Meeting: 4 February 2019

Subject Matter: Draft Housing Revenue Account Capital & Revenue Budgets 2019/20 and Medium Term Financial Plan 2019-23

Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

DRAFT REVENUE BUDGETS 2019/20 SUMMARY**HOUSING REVENUE ACCOUNT**

	2018/19 Original Budget £	2018/19 Revised Budget £	2019/20 Draft Budget £	Notes
INCOME :-				
Rent Income From Dwellings	-16,127,080	-15,807,590	-15,547,050	1
Rent Income From Non - Dwellings	-149,900	-149,900	-137,600	2
Charges For Services	-1,343,210	-1,285,500	-1,047,300	3
Contributions Towards Expenditure	-215,570	-215,570	-215,570	
Total Income	-17,835,760	-17,458,560	-16,947,520	
EXPENDITURE :-				
Transfer To Housing Repairs Account	3,675,610	3,675,610	3,769,410	4
Supervision & Management	4,493,090	5,627,340	5,774,800	5
Rents, Rates, Taxes & Other Charges	3,000	3,000	5,000	
Depreciation and Impairment	2,287,000	2,287,000	2,075,000	6
Debt Management Cost	15,000	15,000	23,810	
Provision For Bad or Doubtful Debt	193,440	193,440	61,250	7
Amounts set aside for the repayment of debt	5,839,040	5,839,040	0	8
Total Expenditure	16,506,180	17,640,430	11,709,270	
HRA Share of Corporate & Democratic Core Costs	213,980	213,980	224,160	
NET COST OF HRA SERVICES	-1,115,600	395,850	-5,014,090	
HRA SHARE OF OPERATING INCOME & EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME & EXPENDITURE ACCOUNT				
Interest Payable & Similar Charges	1,171,470	1,171,470	1,532,000	
Interest & Investment Income	-111,690	-111,690	-171,410	
NET OPERATING EXPENDITURE	-55,820	1,455,630	-3,653,500	
Revenue Contributions to Capital Expenditure	0	0	3,601,450	8
Contributions to (+) / from (-) Reserves	55,820	55,820	52,050	
Surplus(-)/Deficit for year	0	1,511,450	0	

Notes

- 1 Rent estimates based on rent reduction of 1% and estimated 25 RTB sales in year.
- 2 Garage rents have been increased in line with national guidance but this has been offset by an increase in the number of void/empty properties.
- 3 The net change in service charge income reflects any inflationary rises noted within the report and includes a void allowance of 1.00%.
- 4 The increase includes provision for increased costs (planned maintenance) on gas servicing.
- 5 The main adjustments from the supervision & management revised budget for 2018/19 are:

	£
Internal Recharges	101,570
Salaries - reflecting the change in staff numbers and employers costs	50,880
Car Allowances	-37,920
Other net changes less than £10,000	32,930
Total change in Supervision & Management budget	<u><u>147,460</u></u>

- 6 DCLG and CIPFA have produced guidelines regarding council dwelling depreciation to co-incide with the introduction of HRA self-financing. Estimates for 2019/20 have been prepared on this basis.
- 7 The decrease in bad debt provision reflects an estimated fall in arrears subject to the full roll out of the Universal Credit.
- 8 Sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment/refurbishment costs at the multi-storey sites.

Proposed Housing Revenue Account (HRA) Capital Programme 2019/20 and onwards

	Revised 2018/19 Capital Programme	Anticipated 2018/19 slippage into 2019/20	Proposed 2019/20 Capital Programme	Proposed 2020/21 Capital Programme	Proposed 2021/22 Capital Programme
	£	£	£	£	£
Improvements & Capitalised Repairs					
Bathrooms	419,120	0	357,990	357,990	357,990
Fire Risk Prevention Works	62,400	0	68,170	68,170	68,170
Heating Upgrades	264,880	0	868,910	868,910	868,910
Kitchen Improvements	324,830	0	52,000	52,000	52,000
Patterdale Sheltered Scheme	70,500	0	0	0	0
Energy Efficiency Long Lawford External Cladding Phase 2	900,000	900,000	0	0	0
CCTV Upgrades	46,050	0	0	0	0
Soffit / Gutter Improvements	20,000	0	57,000	57,000	57,000
Replacement Footpaths	20,000	0	20,000	20,000	20,000
External Walls	50,000	0	50,000	50,000	50,000
Roof Refurbishment - Rounds Gardens	0	0	0	0	0
Fire Alarms - Rounds Gardens	450,000	0	0	0	0
Roof Refurbishment - Lesley Souter House	70,000	0	0	0	0
Rewiring - Ashwood Court	22,500	0	0	0	0
Entrance Doors / Door Entry Systems	0	0	292,390	292,390	74,890
Electrical Upgrades - Community Rooms	0	0	36,070	0	0
Boiler Works - Tanser Court	0	0	104,890	0	0
LED Lighting	0	0	36,980	0	0
Housing Management System	628,300	351,300	60,000	60,000	60,000
Housing Repairs Service - IT System	15,180	0	0	0	0
Solar PV	12,210	0	0	0	0
Disabled Adaptations	220,420	0	205,770	205,770	205,770
Lifeline Renewal Programme	110,320	0	30,000	30,000	30,000
Property Repairs Vehicle Replacement	353,460	0	0	0	0
Purchase of Council Homes	2,267,280	0	1,685,000	1,685,000	1,685,000
Cawston Meadows Houses	4,002,610	0	0	0	0
Rugby Gateway Houses - CALA Homes	186,000	0	434,000	0	0
Rugby Gateway Houses - Bloor Homes	675,000	0	0	0	0
Rounds Gardens Capital	100,000	0	0	0	0
Biart Place	2,440,000	0	0	0	0
Bell House Redevelopment	1,570,000	0	0	0	0
TOTAL	15,301,060	1,251,300	4,359,170	3,747,230	3,529,730
Draft Financing: -					
Revenue Contributions / RTB Receipts	12,306,410	351,300	2,209,000	1,775,000	1,775,000
Major Repairs Reserve	2,994,650	900,000	2,150,170	1,972,230	1,754,730
TOTAL	15,301,060	1,251,300	4,359,170	3,747,230	3,529,730

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MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2019/20 - 2022/23

	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
EXPENDITURE				
Supervision & Management	5,775	5,815	5,960	6,109
Repairs & Maintenance	3,769	3,863	3,960	4,059
Rents, Rates, Taxes	5	5	5	5
Charges for Capital	2,075	2,137	2,201	2,267
Debt Management	24	25	15	16
Provision for Bad Debts	61	63	66	69
HRA Share of Corporate & Democratic Core Costs	224	230	219	225
Revenue Contributions to Capital Expenditure	3,601	3,134	2,527	2,719
Net Interest Payments	1,362	1,815	2,234	2,544
Contribution to/from(-) reserves	52	54	54	58
Total	16,948	17,140	17,242	18,071

INCOME				
Dwelling Rent	-15,547	-15,690	-15,776	-16,568
Non Dwelling Rent	-138	-141	-145	-148
Service Charges	-1,047	-1,073	-1,100	-1,128
Contributions towards expenditure	-216	-235	-221	-227
TOTAL	-16,948	-17,140	-17,242	-18,071

Impact on Average Rent (53 week basis):	£'s	£'s	£'s	£'s
Prior Year	81.48	80.67	83.09	85.58
Current Year	80.67	83.09	85.58	88.15
Increase £'s	-0.81	2.42	2.49	2.57
Increase %	-1.00	3.00	3.00	3.00

AGENDA MANAGEMENT SHEET

Report Title: Terms of reference for the Grants Working Party

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Head of Communities and Homes

Portfolio: Communities and Homes

Ward Relevance: All

Prior Consultation: Audit and Legal

Contact Officer: Michelle Dickson (Communities and Projects Manager) tel (01788) 533843 email: michelle.dickson@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: Yes

Report En-Bloc: No

Forward Plan: Yes

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

Enhance our local, open spaces to make them places where people want to be (EPR)

- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background:

N/a

Summary:

The report outlines recommended terms of reference for the Grants Working Party. This is in response to the recommendations for improvement arising from an internal audit of grants to community groups which was carried out during 2018.

Financial Implications:

There are no financial implications

Risk Management Implications:

Improves the transparency of allocation of community grant funding

Environmental Implications:

There are no environmental implications

Legal Implications:

There are no legal implications

Equality and Diversity:

There are no equality and diversity implications

Options:

Approve the proposed terms of reference for the Grants Working Party in time for the 2019/20 round of community grant funding applications, and in accordance with the internal audit recommendations.

Do not approve the proposed terms of reference for the Grants Working Party and revisit to ensure future compliance with internal audit recommendations.

Recommendation:

The proposed terms of reference for the Grants Working Party be approved.

Reasons for Recommendation:

Ensures compliance with the recommendations of the internal audit report – Grants to Community Groups 2018/19 in time for the 2019/20 round of community grants.

Cabinet - 4 February 2019

Terms of reference for the Grants Working Party

Public Report of the Head of Communities and Homes

Recommendation

The proposed terms of reference for the Grants Working Party be approved.

1. Introduction

During 2018 an internal audit of grants to community groups was carried out. One of the resulting recommendations for service improvement was:

to draft and agree formal terms of reference for the Grants Working Party, setting out the group's objectives, composition, its decision-making role, and its role in assessing and considering reports on grant funding.

2. The Grants Working Party

The Grants Working Party is a Cabinet appointed cross-political group working party and comprises 9 Members.

Membership for 2018/19 is made up of Councillors Mrs Crane (Chair), Mrs Garcia (Vice Chair), Brader, Mrs Bragg, Mistry, Mrs Roberts, Mrs Nash, Mrs Roodhouse and Mrs Simpson-Vince.

They traditionally meet twice during May of each year, to consider applications submitted via the community grants process. They then inform Cabinet of their decisions in June. There are no current terms of reference in place for the group.

The internal audit identified the need for an additional report to be submitted to the Grants Working Party each year, setting out the outcomes achieved, and the results off monitoring carried out by officers. This will provide assurance that monies have been spent appropriately.

3. Proposed terms of reference

These are provided in appendix 1 to this report.

4. Conclusion

This is an opportunity to ensure that the recommendations of the internal audit are enacted.

Name of Meeting: Cabinet

Date of Meeting: 4 February 2019

Subject Matter: Terms of reference for the Grants Working Party

Originating Department: Communities and Homes

DO ANY BACKGROUND PAPERS APPLY **YES** **NO**

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink
Appendix 1	Proposed terms of reference for the Grants Working Party

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

GRANTS WORKING PARTY MEMBERS' GROUP

TERMS OF REFERENCE

1. Objectives:

The Grants Working Party is a cross-party working group which will:

- a) Objectively evaluate applications received in respect of the annual allocation of the Council's Community Grants Funding in line with the corporate priorities and equality and diversity objectives
- b) Only consider applications which are received on time and in full (including the required supporting documentation) will be considered by the Group. Incomplete and late applications will not be eligible for consideration.
- c) Determine which applications are to be awarded grant within the constraints of eligible funding, as determined at budget setting for that year
- d) Receive information on the outcomes arising from projects which have received Community Grants Funding and provide feedback accordingly
- e) Make recommendations for the consideration of Cabinet, in respect of potential improvements to the process of allocating the Council's Community Grants Funding
- f) Actively contribute to the Council's digitalisation priorities by making use of internal systems (such as SharePoint and Achieve) in order to access and evaluate the grants application data in an efficient and effective way.
- g) Behave in accordance with the Council's Code of Conduct

2. Composition of the Grants Working Party:

- a) There will be nine Members appointed to the Grants Working Party in total.
- b) 8 Members will be nominated by their respective parties to a proportion consistent with the Council as a whole.
- c) The ninth member will be the Portfolio Holder for Communities and Homes, who will also be the Chair.

3. Decision making

- a) The quorum for meetings of the Grants Working Party is 3 Members.
- b) The Grants Working Party will determine the annual allocation of the Council's Community Grants Funding.
- c) They will provide a report of their recommendation to Cabinet for approval.

- d) Members of the party are required to declare their interest in respect of applications where they have involvement with the group / organisation applying for funding

4. Assessing grant applications

- a) The Grants Working Party will usually meet in May to determine grants. It is expected that two meetings will be required. However, they may be compressed into one meeting, should the volume of eligible applications warrant this.
- b) Members will award each eligible application a mark out of 9. The highest scoring applications will be funded in full.
- c) Where there is a tie, and insufficient available funding to cover both (or more) projects, then the Chair of the Grants Working Party will have the casting vote on which application will be funded
- d) The number of applications that receive funding will be limited according to both the amount of available grant and how much organisations have applied for
- e) The scorings will then be added up to give a final score for each application
- f) Should a member have to abstain from voting, having declared an interest, then the median of the remaining scores will be applied to make up for this, therefore not disadvantaging the applicant

5. Receiving data in respect of projects that have received funding

- a) The Communities and Projects Manager will provide a report to the Grants Working Party on the progress of projects which have received funding.
- b) This report will include any potential risks and issues which have been identified.
- c) This report will be circulated to the Grants Working Party during Quarter 4. The timing of this report will allow organisations to make some progress in the delivery of their projects and provide some initial evaluation.
- d) The Grants Working Party will be invited to comment upon the contents of the report.

AGENDA MANAGEMENT SHEET

Report Title:	Approval of National Non-Domestic Rates Return – NNDR1 2019/20
Name of Committee:	Cabinet
Date of Meeting:	4 February 2019
Report Director:	Head of Corporate Resources and CFO
Portfolio:	Corporate Resources
Ward Relevance:	All Wards
Prior Consultation:	No
Contact Officer:	Mannie Ketley
Public or Private:	Public
Report Subject to Call-In:	Yes
Report En-Bloc:	Yes
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies):
(CR) Corporate Resources	<input checked="" type="checkbox"/> To provide excellent, value for money services and sustainable growth
(CH) Communities and Homes	<input checked="" type="checkbox"/> Achieve financial self-sufficiency by 2020
(EPR) Environment and Public Realm	<input checked="" type="checkbox"/> Enable our residents to live healthy, independent lives
(GI) Growth and Investment	<input checked="" type="checkbox"/> Optimise income and identify new revenue opportunities (CR)
	<input checked="" type="checkbox"/> Prioritise use of resources to meet changing customer needs and demands (CR)
	<input checked="" type="checkbox"/> Ensure that the council works efficiently and effectively (CR)
	<input checked="" type="checkbox"/> Ensure residents have a home that works for them and is affordable (CH)
	<input checked="" type="checkbox"/> Deliver digitally-enabled services that residents can access (CH)
	<input checked="" type="checkbox"/> Understand our communities and enable people to take an active part in them (CH)
	<input checked="" type="checkbox"/> Enhance our local, open spaces to make them places where people want to be (EPR)
	<input checked="" type="checkbox"/> Continue to improve the efficiency of our waste and recycling services (EPR)
	<input checked="" type="checkbox"/> Protect the public (EPR)

- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background:	Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) (as amended)
Summary:	The NNDR1 form calculates the NNDR income for 2019/20 and estimates the surplus or deficit on the collection fund for 2018/19 to be included in the 2019/20 budget.
Financial Implications:	As detailed in the main report.
Risk Management Implications:	The Council has a statutory duty to submit the NNDR1 to the Secretary of State and the major precepting authorities by Thursday 31 January 2019.
Environmental Implications:	There are no Environmental implications arising from this report.
Legal Implications:	There are no Legal implications arising from this report.
Equality and Diversity:	There are no Equality and Diversity implications arising from this report.
Options:	The NNDR1 is being approved retrospectively and there are no options available.
Recommendation:	The National Non-Domestic Rates Return – NNDR1 2019/20 be approved.
Reasons for Recommendation:	The Council has a statutory duty to submit the NNDR1 to the Secretary of State and the major precepting authorities by Thursday 31 st January 2019.

Cabinet - 4 February 2019

Approval of National Non-Domestic Rates Return – NNDR1 2019/20

Public Report of the Head of Corporate Resources and CFO

Recommendation

The National Non-Domestic Rates Return – NNDR1 2019/20 be approved.

1. Introduction

Under the business rates retention scheme a proportion of the Non-Domestic Rates collected by Rugby Borough Council in its capacity as the billing authority are retained locally and shared with Warwickshire County Council (WCC), as the major precepting authority, and central government.

The Non-Domestic Rating (Rates Retention) Regulations 2013 requires a billing authority, before the beginning of a financial year, to forecast the amount of business rates that it will collect during the year.

The NNDR1 form provides a tool to enable authorities to do this.

2. Background

In a similar manner to the setting of the Council Tax, the NNDR1 form facilitates the calculation of the local business tax base and the net business rates collectable for the forthcoming year with any variation between the forecast and actual being dealt with through the surplus/deficit on the Collection Fund in the following year.

Therefore, under the rates retention scheme the importance of the NNDR1 form is significantly increased, as this form effectively sets the Council's business rates base and corresponding income budget for 2019/20.

The secondary role of the form is to estimate the actual business rates collectable for the current financial year and compare this to the original forecast, as submitted in the 2018/19 NNDR1. The difference between original forecast and estimated 2018/19 business rates collectable is dealt with through the Collection Fund and any surplus or deficit is shared between central government and WCC and accounted for in the 2019/20 budget.

The NNDR1 return is required to follow the same formal approval process as that of the Council Tax Base. Within the Council's Constitution the approval of the Council Tax Base is delegated to Cabinet and therefore the NNDR1 return also requires Cabinet approval.

The NNDR1 needs to be completed and sent to both the Secretary of State and Warwickshire County Council by Thursday 31 January 2019. By agreement with DCLG this deadline has been extended to accommodate the completion of the NNDR1 form and Cabinet's subsequent approval within the constraints of the form's requirements and also the Council's committee timetable.

3. NNDR1 2019/20 (Appendix 1)

As set out above, the primary function of the NNDR1 form is to provide authorities with the forecasts they (and the major precepting authorities) need to complete the budget process. It is also designed to determine the payments that need to be made to central government and major precepting authorities during the year, and the transfer that billing authorities make to their General Fund.

The form is separated into four key parts to achieve all the above.

3.1. Part 1

Part 1 provides a summary of the numbers needed by authorities for the in-year operation of the rates retention scheme. In all but a small number of cases, it comprises either pre-filled cells or information cells which are derived from data entries in Parts 2 to 4 of the form.

Part 1 Line 15 of the form shows that the Rugby Borough Council is forecasting to retain **£21.2m** of business rates in 2019/20. After the 2019/20 tariff payment of **£13m** it will leave the Council with net retained income, before levy payments and section 31 grant income, of approximately **£8.1m**.

3.2. Part 2

Part 2 requires authorities to complete data cells for gross rates payable and the impact of reliefs, which lead to the calculation of a figure for "net rates payable".

3.3. Part 3

This part of the form requires authorities to arrive at estimated losses for bad debt and appeals. This is an area that is subject to a fair degree of assumption and estimation, as explained at section 5 below.

3.4. Part 4

This part of the form requires authorities to calculate the estimated surplus, or deficit on the Collection Fund as at 31 March 2019. The surplus/deficit will be shared between Rugby Borough Council, Central Government and WCC, by adjusting each party's share of the 2019/20 non-domestic rating income.

The estimate at Part 4 is based on actual figures from the Civica Revenues system as at 31 December 2018, forecast to year-end. This is adjusted for any change in provisions that the authority anticipates making in the 2018/19 accounts in respect of repayments made to business rate payers during the year.

Part 4 shows that that estimated deficit for 2018/19 is **£0.315m**. This is transferred to Part 1 Line 25, where it is shared between the parties to the scheme. Rugby Borough Council's share is **£0.125m**.

4. Amounts Retained and Budgetary Impact

After taking account of a **£3.4m** levy payment to central government, plus section 31 grant income of **£1.4m** plus **£0.2m** estimated benefit of Business Rates Pooling, the Council's 2019/20 local share of business rates is **£6.3m** and also the **£0.125m** estimated 2018/19 surplus on the collection fund is incorporated in the Draft General Fund Revenue & Capital Budget 2019/20 report presented elsewhere on this Cabinet agenda.

5. Assumptions

The majority of content of the NNDR1 is comprised of objective data that is captured at a particular point in time, however there are some areas, such as appeals and business rates growth that are subject to a significant degree of assumption and estimation. The following section sets out the key areas of assumptions and estimation that have been made in completing the draft NNDR1 return.

The starting point for the NNDR1 is estimating the gross rates payable. This is the estimated amount that would be payable by ratepayers in absence of any reliefs.

The first step is to enter the total rateable value in the authority's local rating list. The Council has taken account of the latest version of valuations produced by the VOA as at 3 January 2019.

The estimate of gross rates payable is adjusted to reflect local intelligence and how the list (and rates income) is expected to change throughout the course of 2019/20. The authority's estimated growth for 2019/20 has been calculated in co-ordination with Revenues and the Planning Department in respect of business growth at key sites in the Borough. The forecast is based on assumptions in respect of planning permission, completion and occupation of development in Rugby and the Gateway site.

The impact of reliefs is then provided for, which leads to the calculation of a figure for net rates payable. This is completed from data extracted from the Civica Revenues System; the Civica report provides for all reliefs awarded at this point in time.

Net rates payable then has to be adjusted for losses on collection and losses on appeal.

The losses on collection are:

1. An estimate of how much of the net rates payable for 2019/20 is expected to be written off as a bad debt during 2019/20 or subsequent years.
2. An estimate of how much of the net rates payable in respect of 2019/20 liability would have to be repaid to ratepayers as a result of reductions in Rateable Values following successful appeals or alterations to lists.

In 2017/18, MHCLG set a revised multiplier which took into account an estimate of national appeals losses (4.7%) in respect of the new 2017 rating list. This was to anticipate future appeals and had the effect of increasing the multiplier and so in

effect the Council over-collect in the early years of the rating list and then under-collect in later years as the appeals start to come through with retrospective effect. In line with MHCLG assumptions, a factor of 4.7% on gross rates has been used to estimate the level of future appeals in respect of 2019/20.

The Council has already included a provision in the 2017/18 accounts in respect of such repayments that might have to be made in respect of years before 2017/18. This provision will need to be adjusted in the 2018/19 accounts to reflect repayments made during the year and any view on new and outstanding liabilities. Changes to provisions are therefore made in the estimated surplus/deficit calculation in Part 4 of the NNDR1.

6. Conclusion

The NNDR1 return, as presented at Appendix 1, effectively sets the Council's Retained Business Rates income budget for 2019/20. This is largely based on objective data, but a number of areas are subject to degree of subjectivity as set out at section 5. The budgetary implications of approval of the NNDR1 are incorporated and expanded upon further within the Draft General Fund Revenue & Capital Budget report included elsewhere on this Cabinet agenda.

Name of Meeting: Cabinet

Date of Meeting: 4 February 2019

Subject Matter: Approval of National Non-Domestic Rates Return –
NDR1 2019/20

Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2019-20**

Please e-mail to: nndr.statistics@communities.gov.uk by no later than 31 January 2019.
In addition, a certified copy of the form should be returned by no later than **31 January 2019** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Select your local authority's name from this list:

Rossendale
Rother
Rotherham
Rugby
Runnymede
Rushcliffe

Authority Name
E-code
Local authority contact name
Local authority contact number
Local authority e-mail address

Rugby
E3733
Chryssa Burdett
01788 533495
chryssa.burdett@rugby.gov.uk

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PART 1A: NON-DOMESTIC RATING INCOME

COLLECTIBLE RATES

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments

£
53,593,756

TRANSITIONAL PROTECTION PAYMENTS

2. Sums due to the authority

0

3. Sums due from the authority

507,131

COST OF COLLECTION (See Note A)

4. Cost of collection formula

136,804

5. Legal costs

0

6. Allowance for cost of collection

136,804

SPECIAL AUTHORITY DEDUCTIONS

7. City of London Offset : Not applicable for your authority

0

DISREGARDED AMOUNTS

8. Amounts retained in respect of Designated Areas

0

9. Amounts retained in respect of Renewable Energy Schemes (See Note B)
of which:

0

10. sums retained by billing authority

0

11. sums retained by major precepting authority

0

12. Amounts retained in respect of Shale Gas Schemes (see Note C)

0

NON-DOMESTIC RATING INCOME

13. Line 1 plus line 2, minus lines 3, 6 - 9 and 12

52,949,821

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2019-20**

Please e-mail to: nndr.statistics@communities.gov.uk by no later than 31 January 2019.
In addition, a certified copy of the form should be returned by no later than **31 January 2019** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Local Authority : Rugby

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PART 1B: PAYMENTS

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2019-20 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 Rugby	Column 3 Warwickshire County Council	Column 4	Column 5 Total
Retained NDR shares	£	£	£	£	£
14. % of non-domestic rating income to be allocated to each authority in 2019-20	50%	40%	10%	0%	100%
Non-Domestic Rating Income for 2019-20					
15. Non-domestic rating income from rates retention scheme	26,474,911	21,179,928	5,294,982	0	52,949,821
16.(less) deductions from central share	0	0	0	0	0
17. TOTAL:	26,474,911	21,179,928	5,294,982	0	52,949,821
Other Income for 2019-20					
18. add: cost of collection allowance		136,804			136,804
19. add: amounts retained in respect of Designated Areas		0			0
20. add: amounts retained in respect of renewable energy schemes		0	0		0
21. add: amounts retained in respect of shale gas schemes		0	0	0	0
22. add: qualifying relief in Designated Areas		0	0	0	0
23. add: City of London Offset		0			0
24. add: additional retained Growth in Pilot Areas		0	0	0	0
25. add: in respect of Port of Bristol hereditament		0			0
Estimated Surplus/Deficit on Collection Fund	£	£	£	£	£
<u>Percentages to be used to distribute the collection fund surplus deficit</u>					
26. % for distribution of "in-year" surplus/deficit (ie 2018-19)	50%	40%	10%	0%	100%
26a. "In-year surplus (positive) /deficit (negative)	912,661	730,128	182,532	0	1,825,321
27. % for distribution of "prior-year" surplus/deficit (ie 2017-18)	50%	40%	10%	0%	100%
27a. "Prior-year" surplus (positive) / deficit (negative)	-1,070,078	-856,062	-214,016	0	-2,140,156
28. Estimated Surplus/Deficit at end of 2018-19	-157,417	-125,934	-31,484	0	-314,835
TOTAL FOR THE YEAR	£	£	£	£	£
29. Total amount due to authorities	26,317,494	21,190,798	5,263,498	0	52,771,790

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2019-20**

Please e-mail to: nndr.statistics@communities.gov.uk by no later than 31 January 2019.
In addition, a certified copy of the form should be returned by no later than **31 January 2019** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Local Authority : Rugby

Ver 1.0

PART 1C: SECTION 31 GRANT (See Note D)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements and 2017 (March and November) & 2018 (October) Budgets

	Column 2 Rugby	Column 3 Warwickshire County Council	Column 4	Column 5 Total
--	-------------------	--	----------	-------------------

	£	£	£	£
Multiplier Cap				
30. Cost of cap on 2014-15, 2015-16 and post-2018-19 small business rates multipliers	690,181	172,545	0	862,726
Small Business Rate Relief				
31. Cost of doubling SBRR & threshold changes for 2019-20	945,338	236,335	0	1,181,673
31a. Additional compensation for loss of supplementary multiplier income	80,787	20,197	0	100,984
32. Cost to authorities of maintaining relief on "first" property	0	0	0	0
Rural Rate Relief				
33. Cost to authorities of providing 100% rural rate relief	3,104	776	0	3,880
Local Newspaper Temporary Relief				
34. Cost to authorities of providing relief	0	0	0	0
Supporting Small Businesses Relief				
35. Cost to authorities of providing relief	8,940	2,235	0	11,175
Discretionary Scheme				
36. Cost to authorities of providing relief	22,982	5,745	0	28,727
Designated Areas qualifying relief in 100% pilot areas				
37. Cost to authorities of providing relief	0	0	0	0
Telecoms Relief				
38. Cost to authorities of providing relief	0	0	0	0
Retail discount				
39. Cost to authorities of providing relief	41,303	10,326	0	51,629
TOTAL FOR THE YEAR				
40. Amount of Section 31 grant due to authorities to compensate for reliefs	1,792,635	448,159	0	2,240,794

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 40, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 40)

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20**

Please e-mail to: nndr.statistics@communities.gov.uk by no later than 31 January 2019.
In addition, a certified copy of the form should be returned by no later than **31 January 2019** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Certificate of Chief Financial Officer / Section 151 Officer

NNDR1 2019-20

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer
or Section 151 Officer :

.....

Signature :

.....

Date :

.....

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas) Complete this column	Column 2 Designated areas Do not complete this column	Column 3 TOTAL (All BA Area) Do not complete this column
	£	£	£
GROSS RATES PAYABLE (All data should be entered as +ve unless specified otherwise) - see Note E			
1. Rateable Value at <input type="text" value="03/01/2019"/>	<input type="text" value="127,100,960"/>	<input type="text" value="0"/>	<input type="text" value="127,100,960"/>
2. Small business rating multiplier for 2019-20 (pence) <input type="text" value="49.1"/>			
3. Gross rates 2019-20 (RV x multiplier)	<input type="text" value="62,406,571"/>	<input type="text" value="0"/>	<input type="text" value="62,406,571"/>
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="728,122"/>	<input type="text" value="0"/>	<input type="text" value="728,122"/>
5. Forecast gross rates payable in 2019-20	<input type="text" value="63,134,693"/>	<input type="text" value="0"/>	<input type="text" value="63,134,693"/>
TRANSITIONAL ARRANGEMENTS (See Note F)			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="-316,368"/>	<input type="text" value="0"/>	<input type="text" value="-316,368"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="823,499"/>	<input type="text" value="0"/>	<input type="text" value="823,499"/>
8. Net cost of transitional arrangements	<input type="text" value="507,131"/>	<input type="text" value="0"/>	<input type="text" value="507,131"/>
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
10. Forecast net cost of transitional arrangements	<input type="text" value="507,131"/>	<input type="text" value="0"/>	<input type="text" value="507,131"/>
TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))			
11. Sum due to/(from) authority	<input type="text" value="-507,131"/>	<input type="text" value="0"/>	<input type="text" value="-507,131"/>
MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)			
Small Business Rate Relief			
12. Forecast of relief to be provided in 2019-20	<input type="text" value="-3,269,661"/>	<input type="text" value="0"/>	<input type="text" value="-3,269,661"/>
13. of which: relief on existing properties where a 2nd property is occupied	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
14. Additional yield from the small business supplement (Show as +ve)	<input type="text" value="1,314,984"/>	<input type="text" value="0"/>	<input type="text" value="1,314,984"/>
15. Net cost of small business rate relief (line 12 + line 14)	<input type="text" value="-1,954,677"/>	<input type="text" value="0"/>	<input type="text" value="-1,954,677"/>
Charitable occupation			
16. Forecast of relief to be provided in 2019-20	<input type="text" value="-3,234,980"/>	<input type="text" value="0"/>	<input type="text" value="-3,234,980"/>
Community Amateur Sports Clubs (CASCs)			
17. Forecast of relief to be provided in 2019-20	<input type="text" value="-74,453"/>	<input type="text" value="0"/>	<input type="text" value="-74,453"/>
Rural rate relief			
18. Forecast of relief to be provided in 2019-20	<input type="text" value="-7,516"/>	<input type="text" value="0"/>	<input type="text" value="-7,516"/>

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: NET RATES PAYABLE

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
19. Forecast of mandatory reliefs to be provided in 2019-20 (Sum of lines 15 to 18)	-5,271,626	0	
20. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	0	0	
21. Total forecast mandatory reliefs to be provided in 2019-20	-5,271,626	0	-5,271,626
UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)			
Partially occupied hereditaments			
22. Forecast of 'relief' to be provided in 2019-20	-200,000	0	-200,000
Empty premises			
23. Forecast of 'relief' to be provided in 2019-20	-1,159,572	0	-1,159,572
24. Forecast of unoccupied property 'relief' to be provided in 2019-20 (Line 22 + line 23)	-1,359,572	0	
25. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)		0	
26. Total forecast unoccupied property 'relief' to be provided in 2019-20	-1,359,572	0	-1,359,572
DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)			
Charitable occupation			
27. Forecast of relief to be provided in 2019-20	-106,404	0	-106,404
Non-profit making bodies			
28. Forecast of relief to be provided in 2019-20	-7,365	0	-7,365
Community Amateur Sports Clubs (CASCs)			
29. Forecast of relief to be provided in 2019-20	0	0	0
Rural shops etc			
30. Forecast of relief to be provided in 2019-20	0	0	0
Small rural businesses			
31. Forecast of relief to be provided in 2019-20	0	0	0
Other ratepayers			
32. Forecast of relief to be provided in 2019-20	0	0	0
33. Relief given to Case A hereditaments	<i>of which:</i>	<i>of which:</i>	
34. Relief given to Case B hereditaments	0	0	

**PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20**

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: NET RATES PAYABLE

You should complete column 1 only

Column 1
BA Area (exc.
Designated areas)

Column 2
Designated
areas

Column 3
TOTAL
(All BA Area)

35. Forecast of discretionary relief to be provided in 2019-20 (Sum of lines 27 to 32)

-113,769

0

36. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)

0

0

37. Total forecast discretionary relief to be provided in 2019-20

-113,769

0

-113,769

**DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT
(See Note K) (All data should be entered as -ve unless specified otherwise)**

Rural Rate Relief

38. Forecast of relief to be provided in 2019-20

-7,516

0

-7,516

Local Newspaper Relief

39. Forecast of relief to be provided in 2019-20

0

0

0

Supporting Small Businesses Relief

40. Forecast of relief to be provided in 2019-20

-21,644

0

-21,644

Discretionary Scheme

41. Forecast of relief to be provided in 2019-20

-55,641

0

-55,641

Telecoms Relief (see Note L)

42. Forecast of relief to be provided in 2019-20

0

0

0

Retail Discount

43. Forecast of relief to be provided in 2019-20

-100,000

0

-100,000

44. Forecast of discretionary reliefs funded through S31 grant to be provided in 2019-20 (Sum of lines 38 to 43)

-184,801

0

45. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)

0

0

46. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2019-20

-184,801

0

-184,801

NET RATES PAYABLE

47. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs

£
56,712,056

£
0

£
56,712,056

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: NET RATES PAYABLE

You should complete column 1 only

Column 1
**BA Area (exc.
Designated areas)**

Column 2
**Designated
areas**

Column 3
**TOTAL
(All BA Area)**

Checked by Chief Financial / Section 151 Officer :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS

You should complete column 1 only

	Column 1	Column 2	Column 3
	BA Area (exc. Designated areas) Complete this column	Designated Areas Do not complete this column	TOTAL (All BA Area) Do not complete this column
	£	£	£
NET RATES PAYABLE			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	56,712,056	0	56,712,056
(LESS) LOSSES			
2. Estimated bad debts in respect of 2019-20 rates payable	-150,970	0	-150,970
3. Estimated repayments in respect of 2019-20 rates payable	-2,967,330	0	-2,967,330
COLLECTABLE RATES			
4. Net Rates payable less losses	53,593,756	0	53,593,756
DISREGARDED AMOUNTS			
5. Renewable Energy	0	0	0
6. Shale Gas (see Note C)	0	0	0
7. Transitional Protection Payment		0	
8. Baseline		0	
DISREGARDED AMOUNTS			
9. Total Disregarded Amounts		0	0
DESIGNATED AREAS IN 100% PILOT AREAS			
10. Designated Areas Qualifying Relief	0	0	0
DEDUCTIONS FROM CENTRAL SHARE			
11. Designated Areas Qualifying Relief	0	0	0
Growth Pilot Areas			
12. Net Rates payable for Growth Baseline comparison	0		0
13. Growth Baseline	0		0
14. Additional Growth in 'Growth Pilot' Areas	0		0
Port of Bristol			
15. In respect of Port of Bristol: Not applicable	0		0
DEDUCTIONS FROM CENTRAL SHARE			
16. Total Deductions	0	0	0

Checked by Chief Financial / Section 151 Officer :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2019-20

All figures must be entered in whole £

If you are content with your answers please return this form to MHCLG as soon as possible

Ver 1.0

Local Authority : Rugby

PART 4: ESTIMATED COLLECTION FUND BALANCE

OPENING BALANCE

	£	£
1. Opening Balance (From Collection Fund Statement)		-2,638,170

BUSINESS RATES CREDITS AND CHARGES

2. Business rates credited and charged to the Collection Fund in 2018-19	54,905,535	
3. Sums written off in excess of the allowance for non-collection	0	
4. Changes to the allowance for non-collection	-114,494	
5. Amounts charged against the provision for appeals following RV list changes	1,425,123	
6. Changes to the provision for appeals	-4,400,183	
7. Total business rates credits and charges (Total lines 2 to 6)		51,815,981

OTHER RATES RETENTION SCHEME CREDITS

8. Transitional protection payments received, or to be received in 2018-19	0	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2018-19 in respect of a previous year's deficit	498,014	
11. Total Other Credits (Total lines 8 to 10)		498,014

OTHER RATES RETENTION SCHEME CHARGES

12. Transitional protection payments made, or to be made, in 2018-19	-1,090,231	
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2018-19	-24,382,097	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2018-19	-4,876,419	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2018-19	-19,505,678	
16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2018-19	-136,235	
17. Transfers/payments from the Collection Fund for end-year reconciliations	0	
18. Transfers/payments made from the Collection Fund in 2018-19 in respect of a previous year's surplus	0	
19. Total Other Charges (Total lines 12 to 18)		-49,990,660

ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2018-19 - Surplus (positive), Deficit (Negative)

		£
20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11 & 19)		-314,835

Checked by Chief Financial / Section 151 Officer :

AGENDA MANAGEMENT SHEET

Report Title: Urgent Decision under Delegated Powers - Approval of the Brandon and Bretford Neighbourhood Development Plan for Referendum

Name of Committee: Cabinet

Date of Meeting: 4 February 2019

Report Director: Executive Director

Portfolio: Growth and Investment

Ward Relevance: Revel and Binley Woods

Prior Consultation: Executive Director, in consultation with Councillors Stokes, Ms Edwards and Lowe.

Contact Officer: Sophie Leaning, Senior Planning Officer 017889 533734 or sophie.leaning@rugby.gov.uk

Public or Private: Public

Report Subject to Call-In: No

Report En-Bloc: Yes

Forward Plan: No

Corporate Priorities: This report relates to the following priority(ies):

(CR) Corporate Resources To provide excellent, value for money services and sustainable growth

(CH) Communities and Homes Achieve financial self-sufficiency by 2020

(EPR) Environment and Public Realm Enable our residents to live healthy, independent lives

(GI) Growth and Investment Optimise income and identify new revenue opportunities (CR)

Prioritise use of resources to meet changing customer needs and demands (CR)

Ensure that the council works efficiently and effectively (CR)

Ensure residents have a home that works for them and is affordable (CH)

Deliver digitally-enabled services that residents can access (CH)

Understand our communities and enable people to take an active part in them (CH)

- Enhance our local, open spaces to make them places where people want to be (EPR)
- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background:

Summary:

An urgent decision was taken by the Executive Director in accordance with the Council's Constitution with regard to referendum for the approval of the Brandon and Bretford Development Neighbourhood Plan.

Financial Implications:

Financial implications are detailed in the report.

Risk Management Implications:

There are no risk management implications relating to the report.

Environmental Implications:

There are no risk management implications relating to the report.

Legal Implications:

All legal implications are detailed in the report.

Equality and Diversity:

There are no risk management implications relating to the report.

Options:

Recommendation:

The report be noted.

Reasons for Recommendation:

Cabinet - 4 February 2019

Urgent Decision under Delegated Powers - Approval of the Brandon and Bretford Neighbourhood Development Plan for Referendum

Public Report of the Executive Director

Recommendation

The report be noted.

1. INTRODUCTION

The Executive Director approved an urgent decision under delegated powers as detailed below.

2. THE BRANDON AND BRETTFORD NEIGHBOURHOOD DEVELOPMENT PLAN

Brandon and Bretford Parish Council submitted their Neighbourhood Plan to Rugby Borough Council on 5 July 2018. Following approval at Cabinet in September 2018 Rugby Borough Council ran the regulation 16 consultation between 4 September 2018 and 16 October 2018. The Plan and the responses to the consultation were passed onto the appointed Examiner for the Examination process to be undertaken.

The Examiner provided his report on the Examination to Rugby Borough Council on 21st December 2018. This report can be found as part of the electronic version of this agenda. The Examiners report states that subject to a series of modifications the Neighbourhood Plan meets all of the necessary legal requirements and should proceed to the next stage which is the Referendum. The report also recommends that the Referendum should be held within the Neighbourhood Area. A Referendum Version of the Neighbourhood Plan, which includes all of the recommendations put forward by the Examiner, is available as part of the electronic version of this agenda.

If at the Referendum over 50% of those who vote on the Neighbourhood Plan vote 'yes' to the question "Do you want Rugby Borough Council to use the Neighbourhood Plan for Brandon and Bretford to help it decide planning applications in the Neighbourhood Area?", then the plan will be 'made' and forms part of the Development Plan for the Borough. It will be used alongside the Core Strategy and Saved Policies (or new Local Plan once adopted) to make decisions on planning applications.

Additionally, once approval has been granted for a Referendum, this Council can apply for a £20,000 grant from Central Government to continue to support the production of Neighbourhood Plans across Rugby Borough.

3. REASON FOR URGENT DECISION

The Neighbourhood Plan Examiner provided his Examination report on the Brandon and Bretford Neighbourhood Plan to Rugby Borough Council on 21 December 2018. Under the Neighbourhood Planning (General) Regulations (2012) (As amended) a Local Authority has a period of five weeks from the date of receipt of the Examiners report to make a decision on whether to proceed to referendum. This gave Rugby Borough Council a deadline of 25 January 2019 for the decision to be made.

January Cabinet would not have provided time for the Examiner's recommendations to have been implemented by the Neighbourhood Plan Group and February Cabinet would be beyond the five week period. As such this urgent decision was requested.

4. CONSULTATION

The Executive Director, in consultation with the Leader of the Council, Councillor M Stokes, the Portfolio Holder for Growth and Investment, Councillor S Lowe and Councillor C Edwards (leader of the main opposition group) agreed that the conclusions of the Examiner's report be agreed and the Referendum version of the Brandon and Bretford Neighbourhood Development Plan be approved for a Referendum to take place on 2 May 2019. The Referendum is held within the Neighbourhood Area.

Name of Meeting: Cabinet

Date of Meeting: 4 February 2019

Subject Matter: Urgent Decision under Delegated Powers - Approval of the Brandon and Bretford Neighbourhood Development Plan for Referendum

Originating Department: Executive Director

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

**BRANDON & BRETTFORD NEIGHBOURHOOD DEVELOPMENT PLAN
2018 - 2031**

**The Report of the Independent Examiner to Rugby Borough Council on the
Brandon & Bretford Neighbourhood Plan**

**Andrew Matheson MSc MPA DipTP MRTPI FCIH
Independent Examiner
20th December 2018**

Summary

I was appointed by Rugby Borough Council, in agreement with the Brandon & Bretford Parish Council, in October 2018 to undertake the Independent Examination of the Brandon & Bretford Neighbourhood Plan.

The Examination has been undertaken by written representations. I visited the Neighbourhood Area on 30th November 2018.

The Neighbourhood Plan proposes a local range of policies and seeks to bring forward positive and sustainable development in the Brandon & Bretford Neighbourhood Area. There is an evident focus on safeguarding the very distinctive character of the area whilst accommodating future change and growth.

The Plan has been underpinned by extensive community support and engagement. The social, environmental and economic aspects of the issues identified have been brought together into a coherent plan which adds appropriate local detail to sit alongside the Rugby Borough Core Strategy 2011.

Subject to a series of recommended modifications set out in this Report I have concluded that the Brandon & Bretford Neighbourhood Development Plan meets all the necessary legal requirements and should proceed to referendum.

I recommend that the referendum should be held within the Neighbourhood Area.

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Introduction

This report sets out the findings of the Independent Examination of the Brandon & Bretford Neighbourhood Plan 2018-2031. The Plan was submitted to Rugby Borough Council by Brandon & Bretford Parish Council in their capacity as the 'qualifying body' responsible for preparing the Neighbourhood Plan.

Neighbourhood Plans were introduced into the planning process by the Localism Act 2011. They aim to allow local communities to take responsibility for guiding development in their area. This approach was subsequently incorporated within the National Planning Policy Framework (NPPF) in 2012 and this continues to be the principal element of national planning policy. Shortly prior to the commencement of this Examination a new NPPF was published (July 2018) but the transitional arrangements in para 214 Appendix 1 on Implementation apply and thus this Examination is unaffected by the changed NPPF; accordingly all references to the NPPF in this Report are to the original 2012 NPPF document.

This report assesses whether the Brandon & Bretford Neighbourhood Plan is legally compliant and meets the 'basic conditions' that such plans are required to meet. It also considers the content of the Plan and, where necessary, recommends modifications to its policies and supporting text. This report also provides a recommendation as to whether the Brandon & Bretford Neighbourhood Plan should proceed to referendum. If this is the case and that referendum results in a positive outcome, the Brandon & Bretford Neighbourhood Plan would then be used in the process of determining planning applications within the Plan boundary as an integral part of the wider Development Plan.

The Role of the Independent Examiner

The Examiner's role is to ensure that any submitted neighbourhood plan meets the legislative and procedural requirements. I was appointed by Rugby Borough Council, in agreement with the Brandon & Bretford Parish Council, to conduct the examination of the Brandon & Bretford Neighbourhood Plan and to report my findings. I am independent of both the Rugby Borough Council and the Brandon & Bretford Parish Council. I do not have any interest in any land that may be affected by the Plan.

I possess the appropriate qualifications and experience to undertake this role. I have over 40 years' experience in various local authorities and third sector bodies as well as with the professional body for planners in the United Kingdom. I am a Chartered Town Planner and a panel member for the Neighbourhood Planning Independent Examiner Referral Service (NPIERS). I am a Member of the Royal Town Planning Institute.

In my role as Independent Examiner I am required to recommend one of the following outcomes of the Examination:

- the Brandon & Bretford Neighbourhood Plan is submitted to a referendum; or
- the Brandon & Bretford Neighbourhood Plan should proceed to referendum as modified (based on my recommendations); or
- the Brandon & Bretford Neighbourhood Plan does not proceed to referendum on the basis that it does not meet the necessary legal requirements.

As part of this process I must consider whether the submitted Plan meets the Basic Conditions as set out in paragraph 8(2) of Schedule 4B of the Town and Country Planning Act 1990. If recommending that the Neighbourhood Plan should go forward to referendum, I must then consider whether or not the referendum area should extend beyond the Neighbourhood Area to which the Plan relates.

In examining the Plan, I am also required, under paragraph 8(1) of Schedule 4B to the Town and Country Planning Act 1990, to check whether:

- the policies relate to the development and use of land for a designated Neighbourhood Area in line with the requirements of Section 38A of the Planning and Compulsory Purchase Act 2004;
- the Neighbourhood Plan meets the requirements of Section 38B of the 2004 Act (the Plan must specify the period to which it has effect, must not include provision about development that is excluded development, and must not relate to more than one Neighbourhood Area);
- the Neighbourhood Plan has been prepared for an area that has been designated under Section 61G of the Localism Act and has been developed and submitted for examination by a qualifying body.

These are helpfully covered in the submitted Basic Conditions Statement and, subject to the contents of this Report, I can confirm that I am satisfied that each of the above points has been properly addressed and met.

In undertaking this examination I have considered the following documents:

- Brandon & Bretford Neighbourhood Development Plan as submitted
- Brandon & Bretford Neighbourhood Development Plan Basic Conditions Statement (undated)
- Brandon & Bretford Neighbourhood Development Plan Consultation Statement with Appendices (undated)
- Brandon & Bretford Neighbourhood Development Plan Environmental Assessment of Plans and Programmes Regulations 2004 Regulation 9 Screening Determination (23rd May 2018)
- Content at:
https://www.rugby.gov.uk/info/20004/planning_strategy/312/brandon_and_bretford_neighbourhood_plan/2
- Content at:
<http://www.parish-council.com/brandonandbretford/index.asp?pageid=671073>
- Representations made to the Regulation 16 public consultation on the Brandon & Bretford Neighbourhood Development Plan
- Rugby Borough Core Strategy 2011
- Local Plan Saved Policies 2009
- Brandon Conservation Area Appraisal (Rugby Borough Council) (undated)
- National Planning Policy Framework (NPPF) (March 2012)
- Neighbourhood Planning Regulations (2012)
- Planning Practice Guidance (PPG) (March 2014 and subsequent updates)

I carried out an unaccompanied visit to the Plan Area on 30th November 2018. I looked at Brandon & Bretford and their hinterland. I also viewed the character of the Brandon Village Conservation Area and all the various sites and locations identified in the Plan document.

The legislation establishes that, as a general rule, neighbourhood plan examinations should be held without a public hearing, by written representations only. Having considered all the information before me, including the representations made to the submitted plan which I felt made their points with clarity, I was satisfied that the Brandon & Bretford Neighbourhood Plan could be examined without the need for a public hearing and I advised Rugby Borough Council accordingly. The Qualifying Body has helpfully responded to my enquiries so that I may have a thorough understanding of the thinking behind the Plan, and the correspondence has been shown on the Rugby Borough Council neighbourhood planning website for the Brandon & Bretford Neighbourhood Plan.

Brandon & Bretford Neighbourhood Area

A map showing the boundary of the Brandon & Bretford Neighbourhood Area has been provided within the Neighbourhood Plan. Further to an application made by Brandon &

Bretford Parish Council, Rugby Borough Council approved the designation of the Neighbourhood Area on 12th May 2016. This satisfied the requirement in line with the purposes of preparing a Neighbourhood Plan under section 61G(1) of the Town and Country Planning Act 1990 (as amended).

Consultation

In accordance with the Neighbourhood Planning (General) Regulations 2012, the qualifying body has prepared a Consultation Statement to accompany the Plan.

The Planning Practice Guidance says:

"A qualifying body should be inclusive and open in the preparation of its neighbourhood plan [or Order] and ensure that the wider community:

- is kept fully informed of what is being proposed
- is able to make their views known throughout the process
- has opportunities to be actively involved in shaping the emerging neighbourhood plan [or Order]
- is made aware of how their views have informed the draft neighbourhood plan [or Order]." (Reference ID: 41-047-20140306)

I can see that an inclusive approach to community engagement and a range of formal and informal approaches and media has been used to invite and obtain participation. I note that in November 2016 questionnaires and a pre-paid envelope were distributed to all households and businesses within the Neighbourhood Area with guidance on how to complete the questionnaire and contact telephone numbers for help and advice. There was also an open day at Brandon Club where help was available to assist residents in completing the questionnaire. Of 315 residential addresses given a questionnaire 117 were returned, 10 of which were completed online; a return rate of 37%. Of the 20 businesses contacted 10 responded; a return rate of 50%.

A 14 person Neighbourhood Plan Steering Group comprised of residents from the Neighbourhood Area and Parish Councillors met to progress the Plan either as a whole or as subsidiary groups to focus on specific areas. A further public meeting was held in August 2017 to present the results of the questionnaire. Articles in the Village Newsletter and notices detailing the meetings of the Steering Group kept the community informed as to progress.

The six week public consultation period on the Pre-Submission Brandon & Bretford Neighbourhood Development Plan ran from Friday 23rd March to 11th May 2018. Leaflets & notices were placed on the notice boards and leaflets dropped to 330 residents and businesses in the Parish. Notices were placed on the Parish website (with full documentation) and the Parish Facebook page. A hard copy of the full documentation was placed at Wolston Library for those without access to internet with further copies at the Brandon Club, Royal Oak pub, Brandon Hall Hotel and the Queens Head pub in Bretford. Emails and letters were sent to notify local councils and businesses of the Draft Neighbourhood Plan.

A summary report of the analysis of the responses and the recommendations relating to them was prepared and has been included as one of the Appendices to the Consultation Statement.

I am therefore satisfied that the consultation process accords with the requirements of the Regulations and the Practice Guidance and that, in having regard to national policy and guidance, the Basic Conditions have been met. In reaching my own conclusions about the specifics of the content of the Plan I will later note points of agreement or disagreement with

Regulation 16 representations, just as the Qualifying Body has already done for earlier consultations. That does not imply or suggest that consultation has been inadequate, merely that a test against the Basic Conditions is being applied.

Representations Received

Consultation on the submitted Plan, in accordance with Neighbourhood Planning Regulation 16, was undertaken by Rugby Borough Council from Tuesday 4th September 2018 to Tuesday 16th October 2018. I have been passed representations – 14 in total including 3 late submissions that I accepted - received from the following:

- Network Rail
- Canal & River Trust
- Warwickshire County Council Health
- Wood Plc on behalf of National Grid
- Wolston Parish Council
- Natural England
- Highways England
- Warwickshire Wildlife Trust
- Save Brandon Stadium Campaign Group
- Framptons on behalf of Brandon Estates Ltd
- Oxalis Planning on behalf of Rural Development Holdings Ltd
- The Coal Authority
- Joint Burial Committee of Wolston Parish Council
- Environment Agency

The Neighbourhood Plan

The Brandon & Bretford Parish Council is to be congratulated on its extensive efforts to produce a Neighbourhood Plan for their area that will guide development activity over the period to 2031. I can see that a sustained effort has been put into developing a Plan with the Vision that:

“The Parish of Brandon & Bretford will aspire to retain, protect and enhance all of the special qualities which make it a desirable place to live, whilst promoting and supporting change where that brings benefits to the residents of the Parish and to the wider community. It aims to respect and add to the distinctive qualities and character of the Parish for current and future generations to enjoy”. The Plan document is simply presented with a distinctive combination of text, illustrations and Policies that are, subject to the specific points that I make below, well laid out and helpful for the reader. The Plan has been kept to a manageable length by not overextending the potential subject matter and the coverage of that.

The wording of some content & Policies is not always as well-expressed as one might wish, but that is not uncommon in a community-prepared planning document and something that can readily be addressed. It is an expectation of Neighbourhood Plans that they should address the issues that are identified through community consultation, set within the context of higher level planning policies. There is no prescribed content and no requirement that the robustness of proposals should be tested to the extent prescribed for Local Plans. Where there has been a failure by the Qualifying Body to address an issue in the round, leading to an inadequate statement of policy, it is part of my role wherever possible to see that the community’s intent is sustained in an appropriately modified wording for the policy. It is evident that the community has made positive use of “direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area” (Planning Practice Guidance Reference ID: 41-001-20140306). It is evident that the Qualifying Body understands and has addressed the requirement for sustainable development.

Having considered all the evidence and representations submitted as part of the Examination I am satisfied that the submitted Plan has had regard to national planning policies and guidance in general terms. It works from a positive vision for the future of the Neighbourhood Area and promotes policies that are, subject to some amendment, proportionate and sustainable. The Plan sets out the community needs it will meet whilst identifying and safeguarding Brandon & Bretford’s distinctive features and character. The plan-making had to find ways to reconcile the external challenges that are perceived as likely to affect the area with the positive Vision agreed with the community. All such difficult tasks were approached with transparency and care, with input as required and support from Rugby Borough Council.

However, in the writing up of the work into the Plan document, it is often the case that the phraseology is imprecise, not helpful, or it falls short in justifying aspects of the selected policy. Accordingly I have been obliged to recommend modifications so as to ensure both clarity and meeting of the ‘Basic Conditions’. In particular, Plan policies as submitted may not meet the obligation to “provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency” (NPPF para 17). I bring these particular references to the fore because they will be evident as I examine the policies individually and consider whether they meet or can meet the ‘Basic Conditions’.

Basic Conditions

The Independent Examiner is required to consider whether a neighbourhood plan meets the “Basic Conditions”, as set out in law following the Localism Act 2011. In order to meet the Basic Conditions, the Plan must:

- have regard to national policies and advice contained in guidance issued by the Secretary of State;
- contribute to the achievement of sustainable development;
- be in general conformity with the strategic policies of the development plan for the area;
- be compatible with European Union (EU) and European Convention on Human Rights (ECHR) obligations.

The submitted Basic Conditions Statement has very helpfully set out to address the issues in the same order as above and, where appropriate, has tabulated the relationship between the policy content of the Plan and its higher tier equivalents. I note that the Local Plan is the Rugby Borough Core Strategy 2011 and the Local Plan Saved Policies 2009.

I have examined and will below consider the Neighbourhood Plan against all of the Basic Conditions above, utilising the supporting material provided in the Basic Conditions Statement and other available evidence as appropriate.

The Plan in Detail

I will address the aspects of the Neighbourhood Plan content that are relevant to the Examination in the same sequence as the Plan. Recommendations are identified with a bold heading and italics and I have brought them together as a list at the end of the Report.

Front cover

A neighbourhood plan must specify the period during which it is to have effect. I note that there is a clear reference to the Plan end date on the front cover and this is helpfully prominent.

List of Contents

In passing I would just mention that there has been a rather overgenerous use of capital letters within this listing.

Appendices and Abbreviations (page 3)

The listed Appendices were not included within my copy of the Plan but were available on-line; I don't believe that the Appendices are essential to the reading of the Plan document and therefore, whilst they can remain on the website as useful supporting material, the list should be deleted from the Contents. I note that under "Abbreviations" SSSI has wrongly been interpreted as "Special Site of Scientific Interest".

Recommendation 1:

1.1 Delete the list of "Appendices" on page 3.

1.2 On page 3 under the heading "Abbreviations" correct the long-form for SSSI as 'Site of Special Scientific Interest'

1. Introduction

This section has largely served its consultative stage purpose and is no longer wholly appropriate for a Plan on the verge of being a part of the Development Plan. I suggest that only paragraph 1.1 is retained and this is merged within section 2 to be a replacement for para 2.2. Paragraph 1.1 helpfully refers to the need to keep the Plan under review but it would further be appropriate to commit to review at least once every five years for progress against the Plan Objectives.

Recommendation 2:

Under the heading "1. Introduction":

2.1 Delete this section apart from para 1.1 which should be moved to replace para 2.2 under the heading "2. The Neighbourhood Development Plan"; renumber the Plan sections accordingly.

2.2 Reword the last sentence of para 1.1 as: 'The Neighbourhood Development Plan (The Plan) will be subject to review at least every five years to ensure that it remains consistent with the direction of the Plan Objectives, national and local strategic planning policies.'

2. The Neighbourhood Development Plan

Parts of para 2.1 are now inappropriately worded for a post-consultation document. In the rewording of this paragraph I suggest that it is amended to incorporate a reference to the map (presently on page 5) which defines the Neighbourhood Area. In paragraph 2.3 care is needed to ensure that the wording exactly follows the requirements set down in the Basic Conditions.

Recommendation 3:

Under the heading "2. The Neighbourhood Development Plan":

3.1 Reword para 2.1 as follows:

'Neighbourhood Development Plans were introduced by the 2011 Localism Act to develop a community-led planning framework for future development. They are about the use and development of land, guiding development proposals that may be brought forward within the lifetime of the Plan. The designated Neighbourhood Area for the Brandon & Bretford Neighbourhood Plan is shown on the adjacent Map 1.'

3.2 Move the map and illustration presently on page 5 to be adjacent to section 2 and retitle the map as 'Map 1: The Neighbourhood Area'.

3.3 Replace para 2.2 as per Recommendation 2 above.

3.4 In para 2.3 replace the second and third sentences with: 'Policies within the Plan must be in general conformity with the strategic policies of the Development Plan for Rugby Borough. The Plan must also have regard to national planning policies and advice which are primarily set out in the National Planning Policy Framework (NPPF) and the national Planning Practice Guidance (PPG).'

3.5 In para 2.4 under "Emerging Development Plan policy" delete "expected to be submitted Summer 2017".

3. Brandon and Bretford – History

4. Present Day Character Appraisal of the Parish

These sections lack sources for reference documents. In para 3.1 there is a reference to "The Warwickshire Historic Environment" which I take to be a reference to the Warwickshire Historic Environment Record (HER) for which the source would be:

www.heritagegateway.org.uk/gateway/chr/herdetail.aspx?crit=&ctid=93&id=4747

In para 4.5 there is a rather abrupt reference to the Village Design Statement (VDS) which without a source reference is difficult to access; I believe the appropriate source would be: www.rugby.gov.uk/downloads/file/478/brandon_village_design_statement

In para 3.13 there is a reference to "Coventry Stadium" whereas all the other references in the Plan refer to the stadium as "Brandon Stadium"; for some the dual titling will not be understood and there ought to be a brief clarification.

Recommendation 4:

4.1 Under the headings "3. Brandon and Bretford – History" and "4. Present Day Character Appraisal of the Parish" add appropriate source references.

4.2 In para 3.13 after “Coventry Stadium” add ‘(also known as Brandon Stadium)’.

5. Future Development Issues

This section needs to be updated to 2018. In this respect there is a substantial overlap with Policies PDS1 & PDS2 which are positioned at the end of the Plan. The core issue at the heart of both is the Green Belt designation of the whole Parish other than the Brandon Inset Area. This designation derives from the strategic policy of the Rugby Borough Council and it is not for the Neighbourhood Plan to challenge or reinterpret that policy; a Basic Condition is that there must be “general conformity”. I appreciate that it is a purpose of the Neighbourhood Plan to uphold the Green Belt designation but by entertaining and being drawn into current challenges to it, there is the strong potential to undermine the strategic policy position of the local planning authority. Para 136 of the NPPF 2018 says: “Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. Strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period. Where a need for changes to Green Belt boundaries has been established through strategic policies, detailed amendments to those boundaries may be made through non-strategic policies, including neighbourhood plans.” Even within the new Rugby Local Plan which is on the verge of adoption, the local strategic policies do not establish “the need” to change the Green Belt boundary within the Parish. Neither does the draft Neighbourhood Plan, in its perusal of the local issues, (inappropriately) establish “the need”.

Accordingly, in updating section 5 I believe that the opportunity should be taken to ensure that the content (including that presently covered as Policies PDS1 & PDS2) is pertinent to a prospective Development Plan document effective to 2031 and that there is general compliance with the Rugby Borough strategic policies (and their responsibility to determine planning applications).

Recommendation 5:

Under the heading “Future Development Issues”:

5.1 Move the first sentence of para 5.4 to the end of para 5.3.

5.2 Reword paras 5.4 to 5.7 as follows:

‘5.4 At the time of drafting this Plan there are two as yet undetermined planning applications for development on the sites of the former Oakdale Nurseries (application reference R18/0167) and the former Brandon Stadium (application reference R18/0186) both of which are at Brandon Hill. Neither of these applications envisages the reuse of existing buildings. Both of these sites are within the designated Green Belt (see adjacent Map 2). In the preparation of the Rugby Borough Local Plan, currently expected to be adopted early in 2019, no need is identified that would warrant the alteration to the Green Belt within the Parish. The NPPF para 89 says:

“A local planning authority should regard the construction of new buildings as inappropriate in Green Belt. Exceptions to this are:[inter alia]

- *limited infilling or the partial or complete redevelopment of previously developed sites (brownfield land), whether redundant or in continuing use (excluding temporary buildings), which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.”*

The NPPF Glossary defines “previously developed land” as: “Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: [inter alia] land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.”

Evidently a number of factual considerations and planning judgements are involved in determining whether either or both of the proposals the subject of applications might be considered not inappropriate in the Green Belt.

5.5 The public consultation undertaken in connection with this Plan indicates that there is a community wish that the established uses of these sites should be retained ie the use of Oakdale Nurseries as a plant nursery or garden centre (a time-expired planning consent R11/0786 allowed for the latter description) and the use of Brandon Stadium as a celebrated sports facility for speedway and stock car racing. The community is not persuaded by the arguments that these uses are not or cannot be made viable at their locations.

5.6 The planning applications submitted as outline envisage a "Care Village residential retirement development" for the Oakdale Nursery site and a "residential development of up to 137 dwellings (Use Class C3)" for the Brandon Stadium site. The community is neither persuaded that these are appropriate uses for the selected locations in an attractive landscape within the Green Belt nor that a need for these developments within the Neighbourhood Area at the scale proposed has been established.'

5.3 Take in para 12.16 as para 5.7 (adding a source for the Landscape Sensitivity Study) and add: 'The same Study identified the surrounds to the Brandon Stadium itself as having high-medium sensitivity to housing development. The draft Local Plan for Rugby Borough establishes that there are, and seeks to allocate, sufficient sites for these housing uses at locations in keeping with strategic policy priorities.'

5.4 Renumber the existing para 5.7 as 5.8.

Vision Statement for the Parish of Brandon and Bretford

The second sentence of the Vision Statement starts with "It" but in the context it is unclear to what "It" refers; the Qualifying Body has confirmed that this should read 'The Neighbourhood Plan'. As has been noted earlier the Plan must be in general conformity with the "strategic policies" of the Development Plan and I am concerned that the use of the title "Strategic Objectives" might be read to imply that they derive from the higher level plan. This can quite simply be avoided, to ensure clarity, if the title is amended to 'Overarching Objectives'. Also, for accuracy, the "Local Facilities" Objective, should match with that used on page 51, thus avoiding the double sentence.

In a number of Policies there is the use of 'subject to being in accordance with other policies in the Plan, the Development Plan and the NPPF' or some variant; this is unnecessary and it is potentially confusing where this caveat or any part of it is omitted – the question arises: is that intentional or accidental? It is more appropriate for the Plan to note in an introductory paragraph that the Plan should be read as a whole with the Plan policies operating in conjunction as appropriate; specific cross-referencing can then be confined to vital connections between specific policies". The foot of the "Vision Statement" page is probably the most helpful place to add such a note.

Recommendation 6:

Under the heading "Vision Statement for the Parish of Brandon and Bretford":

6.1 In the second sentence of the Vision Statement replace "It" with 'The Neighbourhood Plan'.

6.2 Replace "Strategic Objectives" with 'Overarching Objectives'; bring all subsequent references into line with this change.

6.3 Under the sub-heading “Local Facilities”, replace the wording of the Objective with that used on page 51.

6.4 At the foot of the page add: ‘N.B. This Plan should be read as a whole as several or all Policies may apply to any development proposal within the Neighbourhood Area’.

Policies for Brandon and Bretford

6. Housing

Paras 6.1 and 6.2 provide an introduction to the Policies that follow. However, the reference to “dwellings that are required for forestry and agriculture” merely notes a selective part of the national policy position and can be omitted. The previous sentence with its double mention of “inset area” could be improved to ensure clarity and conformity with the strategic Development Plan policy.

As noted earlier, references to the Green Belt in section 5 need a map; the housing policies are not the only ones that need to have regard for the Green Belt. The map on page 24 would therefore serve a wider purpose if moved to an earlier location but it needs a key and a source added.

Recommendation 7:

Under the heading “6. Housing”:

7.1 Reword the second sentence of para 6.1 as: ‘Brandon Village is defined in the Rugby Core Strategy as a “Local Needs Settlement” (in the draft Rugby Local Plan “Rural Village”) where development will be permitted within the existing boundary only. In Bretford Village, which is washed over by Green Belt, only limited infilling within the built up area is supported by national policy’.

7.2 Delete the third sentence of para 6.1.

7.3 Move the map headed “Area designated [as] Green Belt” to within section 5 and add to the title ‘Map 2:’ as well as adding a key and a source.

Policy H1 Brandon – Green Belt Inset Area

The NPPF (para 55) says: “To promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities”. Within Brandon Village boundary is a location supported for development within the Rugby Core Strategy. Accordingly this Policy is appropriately worded except, having regard to my Recommendation 6.4 above, the reference to “other policies” should be replaced with, as suggested by the explanatory text that follows the Policy, a reference to the influence of the Conservation Area.

Recommendation 8:

Under the heading “Policy H1 Brandon – Green Belt Inset Area”:

8.1 Partially reword Policy H1 as follows:

‘Within the Green Belt Inset Area for Brandon Village (see Map 3) proposals for new dwellings will be supported in principle, subject to appropriate regard being demonstrated for the Conservation Area that covers much of the Village.’

8.2 Ensure here, and for all subsequent Policies, that the sub-heading “Explanation” has a font size more in keeping with the other text.

8.3 Improve the legibility of the related map on page 25 by reducing the thickness of the boundary lines; retitle as ‘Map 3: Brandon Inset Area and Conservation Area’ as well as adding source references showing where the two boundaries are defined.

As partly reworded Policy H1 meets the Basic Conditions.

Policy H2: Development of Brownfield Land

The NPPF (para 17) encourages “the effective use of land by reusing land that has been previously developed (brownfield land), provided that it is not of high environmental value”. The Rugby Core Strategy Spatial Vision (p 7) says: “Development will be accommodated in ways which reduces our carbon footprint as well as protecting and enhancing the area”. The thrust of Policy H2 is therefore appropriate subject to the incorporation of the NPPF expectation that land “of high environmental value” (which is not limited to Green Belt) will be excluded. However, criterion b does not acknowledge the expectation of Policy LF1 and Policy CS13 of the Rugby Borough Core Strategy for community facilities or Policy E1 and Policy ED6 of the Core Strategy – Saved Local Plan Policies for employment land that reuse for existing purposes will first have been examined (and the sub-clause structure is in some instances ambiguous). Criterion c fails to explain how an enhancement in “character” might be achieved. A justification for criterion d in relation to brownfield sites is not established and therefore it should be deleted.

Recommendation 9:

9.1 Reword Policy H2 as follows:

‘Proposals for the redevelopment of brownfield land to create new homes will be supported in principle subject to the following:

- a. the land is not of high environmental value;*
- b. the residential use is compatible with the surrounding uses and means of access;*
- c. the impact, including visual impact, on the surrounding landscape and properties is assessed as acceptable;*
- d. no loss or displacement, complete or partial, of employment, community, sport or recreation uses unless it can be demonstrated:

 - i. that the existing uses are no longer viable or required in accordance with other Development Plan policies, and*
 - ii. on the basis of an objective assessment, the benefits of residential development outweigh the loss of the current use;**
- e. the site in its setting and its appearance are enhanced; and*
- f. there is no conflict with national Green Belt policy where applicable.’*

9.2 Replace the present content of para 6.5, as this matter has been addressed in an earlier Recommendation, with: *‘Policy GP3 of the draft Rugby Borough Local Plan says, with some caveats, that: “The Council will support the redevelopment of previously developed land where proposals are compliant with the policies within this Local Plan”.’*

9.3 Delete the “Brandon on the Hill” illustration as inappropriate at this point in the Plan.

As partly reworded Policy H2 meets the Basic Conditions.

Policy H3 Affordable Housing

This Policy explicitly references the Development Plan and NPPF contexts acknowledging the interim position pending the adoption of the new Local Plan (although the NPPF reference has now become out of date and could therefore be omitted to avoid confusion). However it fails to acknowledge the possibility of new affordable housing being provided as infill which would accord with Policy H1.

Recommendation 10:

Reword Policy H3 as follows:

‘The provision of affordable housing will be supported as infill within the Brandon Inset Area, as part of any appropriate redevelopment of brownfield land and as a rural exception site

adjacent to the village boundaries of Brandon and Bretford, all in accordance with the relevant adopted policies in the Development Plan and the NPPF.'

As partly reworded Policy H3 meets the Basic Conditions.

Policy H4: Specialist Accommodation for the Elderly and Infirm

Both the NPPF and the Rugby Borough Core Strategy acknowledge the need to meet specialist housing needs. Since the Neighbourhood Plan only establishes the general principle that accommodation will be needed for an ageing population, Policy H4 will need to operate within the context of other Development Plan policies. The two criteria set down in the Policy need correction since any development will contribute to *meeting* local housing need and it is not the "ability" of future residents that is at issue but rather accessibility at any identified location.

Recommendation 11:

11.1 In the first paragraph of Policy H4 replace "this Plan" with 'the Development Plan'.

11.2 In the second paragraph reword the criteria as follows:

- 'a. establishing that the accommodation proposed will meet identified specialist housing requirements; and*
- b. establishing that suitable access will be available to essential services including public transport, shops and health care.'*

As partly reworded Policy H4 meets the Basic Conditions.

Policy H5 Use of Garden Land within the Inset Boundary of Brandon Village

I note that, in common with Policy H1, Policy H5 only applies within the Brandon Inset Boundary. The Qualifying Body has none-the-less expressed a wish that the two are separated. The Policy needs to be reworded to be a positive expression of local guidance.

Recommendation 12:

Reword Policy H5 as follows:

'Within the Inset Boundary of Brandon Village any proposals involving the loss of garden land will be required to demonstrate that:

- a. the character of the local area is retained or enhanced;*
- b. the established settlement pattern is respected;*
- c. the amenities of the host dwelling and neighbouring properties are respected;*
- d. the visual impact on the host dwelling and neighbouring properties is addressed; and*
- e. appropriate arrangements for vehicular access and off-road parking are achieved.'*

As reworded Policy H5 meets the Basic Conditions.

7. Economy

Policy E1: Protecting and Supporting Existing Businesses

The expectations of Policy E1 accord with Core Strategy Policy ED6. The opening of the Policy needs to be reworded to be a positive expression of local guidance.

Recommendation 13:

Reword the opening paragraph of Policy E1 as follows:

'Proposals for the change of use or the redevelopment of land or premises that are in employment use or which were last used for employment will be supported where it can be demonstrated that the following requirements are met.'

As partly amended Policy E1 meets the Basic Conditions.

Policy E2 Fostering New Employment Opportunities

I note that the Spatial Vision for the Rugby Borough Core Strategy says: "Whilst the majority of new sustainable housing and employment development will be focused on Rugby Town, local needs in the rural areas of the Borough will be fulfilled". The strategic basis for locating new employment is therefore not quite as open as Policy E2 implies. The Policy also needs to be reworded to be a positive expression of local guidance.

Recommendation 14:

14.1 Reword Policy E2 as follows:

'Proposals for the development of new employment opportunities will be supported where they:

- a. are appropriate in type and scale for their rural location and in keeping with national Green Belt Policy where applicable;*
- b. have appropriate regard for the character of the area and the amenities of neighbours;*
- c. do not, without mitigation, result in the loss of green infrastructure; and*
- d. include appropriate arrangements for vehicular access and off-road parking.'*

14.2 Delete the reference to Appendix 3 as per earlier Recommendation.

As partly amended Policy E2 meets the Basic Conditions.

8. Conservation of Built and Natural Heritage

Policy CON1 Built Heritage Assets

I can appreciate the local concern to retain the buildings that show the history and heritage of the Parish. However, the Policy wording must be carefully consistent with the approach set down in the NPPF where protections are afforded according to the "significance" of heritage assets. The Policy also needs to be reworded to be a positive expression of local guidance. A listing of designated heritage assets within the Parish would assist those in following the Policy guidance.

Recommendation 15:

15.1 Reword Policy CON1 as follows:

'Development proposals that affect a heritage asset and its setting, whether designated or not, or the Brandon Conservation Area must demonstrate appropriate regard for the asset and its significance and within Conservation Area for the character and appearance of the Area (see adjacent Map 4).

Proposals that would contribute appropriately to the restoration or enhancement of a heritage asset or the Brandon Conservation Area will be supported in principle.'

15.2 Improve the scale of the map on page 33 and incorporate the locations of the Listed Buildings and Ancient Monuments with a schedule of these as part of the key; retile the map as 'Map 4: Heritage Assets and the Brandon Conservation Area'; add a key and a source.

As partly reworded Policy CON1 meets the Basic Conditions.

Policy CON2 Environmental Heritage Assets

I can appreciate the local concern to retain the natural features of the Parish but the Policy needs some rewording to be a positive expression of local guidance. Additionally, the discrepancies between the text and the key to the map need correction and the map needs to be produced at a scale where the locations are readily identifiable. Since the status of sites with "potential" to be Local Wildlife Sites is not established they should be omitted from the map/key but the source of the map should be shown for reference.

Recommendation 16:

16.1 *Reword the first paragraph of Policy CON2 as follows:*

'Development proposals must have appropriate regard for any potential impact, directly or indirectly, on the Sites of Special Scientific Interest (SSSI), the designated Local Wildlife Sites (LWS) and the Plantation on an Ancient Woodland Site (PAWS) shown on the adjacent Map 5.'

16.2 *Bring the details in the text, on the map and in the schedule into line (including reference to the PAWS); enlarge the scale of the map, add 'Map 5:' to its title, and also add a source and a key.*

As partly reworded Policy CON2 meets the Basic Conditions.

9. Built and Natural Environment

Policy BNE1 Respecting Local Character

The pre-ambule to this Policy quotes a Core Planning Principle from the NPPF but an equally supportive para 58 says: "Local and neighbourhood plans should develop robust and comprehensive policies that set out the quality of development that will be expected for the area. Such policies should be based on stated objectives for the future of the area and an understanding and evaluation of its defining characteristics." It is therefore appropriate for the Neighbourhood Plan to address such matters but I note some overlap and confusion between Policy BNE1 which addresses "local character" and Policy BNE2 which addresses "Design Principles". It would seem that BNE1b & BNE2e address the same topic but the character and design content are transposed; BNE1f is a design matter. I also note a further disaggregation of these Policies into sub-topics through Policies BNE3, BNE4 & BNE6.

Recommendation 17:

17.1 *In Policy BNE1 criterion a replace "and respecting" with "by respecting".*

17.2 *Replace BNE1 criterion b with BNE2 criterion e.*

17.3 *Move BNE1 criterion f to Policy BNE2.*

17.4 *Delete the final paragraph which is merely the negative of the same policy.*

As partly reworded Policy BNE1 meets the Basic Conditions.

Policy BNE2 Design Principles, BNE3 Designing Out Crime & BNE4 Lighting

Policy BNE2 is about "Design Principles" but subsequent Policies are also said to address design matters. Very little of this content is locally specific so it adds nothing to national policy whilst potentially hiding that which is local. I believe that Policies BNE2, BNE3 & BNE4 should be merged in order that they can "provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency" (NPPF para 17).

Recommendation 18:

18.1 *As noted above, replace BNE2 criterion e with BNE1 criterion b.*

18.2 *Delete criterion c as it is addressed within Policy BNE5.*

18.3 *Incorporate Policies BNE3 & BNE4 as new criteria, after renumbering, e & f; part of BNE4 was addressed within BNE1 so reword BNE4 as: 'In order to preserve the rural character of the villages and the surrounding countryside, lighting should be kept to a minimum commensurate with safety considerations.'*

18.4 Renumber subsequent BNE Policies accordingly.

As partly reworded Policy BNE2 meets the Basic Conditions.

Policy BNE5 Replacement Dwellings

I am advised that this Policy was drafted in part to accord with Policy H5 in the soon to be adopted Rugby Borough Local Plan, but Policy H5 has since been redrafted and it only applies to replacement of dwellings within the Countryside and Green Belt. Therefore the second paragraph of Policy needs to be revised to sustain the accord with the format derived from the Local Plan Examination.

Recommendation 19:

19.1 Reword the second paragraph of Policy BNE5 as follows:

'The replacement of dwellings within the Green Belt will be permitted provided that:

- a. the form and bulk of the new dwelling is not materially larger than that of the original dwelling or that which could be achieved as permitted development;*
- b. the new dwelling is not more intrusive in the landscape than that which it replaces;*
- c. the new dwelling has substantially the same siting as the existing;*
- d. the existing dwelling to be demolished is not of historic merit; and*
- e. the proposal accords with the Design Principles in Policy BNE2.'*

19.2 Delete para 9.9 in the supporting text and renumber subsequent paragraphs accordingly.

As partly reworded Policy BNE5 meets the Basic Conditions.

Policy BNE6 Protection of Natural Features

Whilst I can see that the natural environment is important to the community, the wording of Policy BNE 6 lacks any local detail whilst the "Explanation" text provides some that would benefit the Policy

Recommendation 20:

Under the heading "Policy BNE6 Protection of Natural Features":

"20.1 Replace the last sentence of the first paragraph with: 'Where applicable, proposals should seek to contribute to the aims of the Princethorpe Woodlands Living Landscape Area'; add a source reference to the related webpage in para 9.12 of the "Explanation" text.

20.2 Replace the last sentence of the second paragraph with: 'Proposals should have regard to the Warwickshire, Coventry and Solihull Biodiversity Action Plan which aims to create, enhance and restore habitats for biodiversity'; add a source reference to the related webpage in para 9.13 of the "Explanation" text.

20.3 At the beginning of the fourth paragraph replace "opportunity to open up" with 'opening up of'.

As partly reworded Policy BNE6 meets the Basic Conditions.

Policy BNE7 Local Green Space

I have noted and the Qualifying Body has acknowledged that all but one of the areas proposed for designation as a 'Local Green Space' are in the Green Belt and would therefore gain nothing from the designation (that provides protection equivalent to the Green

Belt); the one exception is Brandon War Memorial Green. From my visit to the Neighbourhood Area I am satisfied that the War Memorial Green, in accordance with the criteria set out in para 77 of the NPPF, “is in reasonably close proximity to the community it serves” and “is local in character and is not an extensive tract of land”; the Qualify Body has detailed to me why the War Memorial Green “is demonstrably special to a local community and holds a particular local significance”. The Policy and “Explanation” text wording therefore need amendment to cover only one designation and a map that clearly delineates the exact boundary of the designated area must be added.

Recommendation 21:

21.1 Reword Policy BNE7 as follows:

‘Brandon War Memorial Green as shown on the adjacent Map 6 is designated as a Local Green Space’.

21.2 Add a map precisely delineating the Brandon War Memorial Green titled: *‘Map 6: Brandon War Memorial Local Green Space’.*

21.3 Replace the second sentence of para 9.14 with: *‘The Brandon War Memorial Green satisfies the NPPF criteria for Local Green Space designation as it “is in reasonably close proximity to the community it serves”, “is local in character and is not an extensive tract of land” and it is also “demonstrably special to a local community and holds a particular local significance” because historically it has been the centre and focal point for the village of Brandon, it is the site of Brandon and Bretford War memorial, memorial trees, benches and a red, original BT telephone box, it is the setting for Tiddly Bank Cottage (16th century thatched cottage) and is within close proximity of the old school house, coach house, Victorian terraced cottages, shop and bakery.’*

As reworded Policy BNE7 meets the Basic Conditions.

Policy BNE8: Valued Open Spaces and Vistas

Although illustrated with some photographs, Policy BNE8 does not identify with a justification any specific, characteristic or valued views or vistas. Accordingly a less specific wording is required and the related map of public rights of way is not relevant here.

Recommendation 22:

22.1 Retitle Policy BNE8 as *‘Valued rural character and setting’* and reword the Policy as follows:

‘Development proposals should identify, assess and address their impact on the valued rural character and setting of the Neighbourhood Area; rural aspects should include, but are not limited to, inter-visibility and ready access between the built and countryside areas, visual and actual separation between distinct settlements, respect for the patterns and scale of rural settlements, and respect for distinct features of the landscape and the settings of heritage assets.’

22.2 Delete para 9.19 and the related map on page 44 (but also see later Recommendation).

As partly reworded Policy BNE8 meets the Basic Conditions.

10. Infrastructure

Policies INF1 – INF5

None of the issues addressed in these policies is particular to the Neighbourhood Area. Since neither the Neighbourhood Plan nor the draft Local Plan seeks to allocate sites for development in the Area it might be argued that their relevance here is less than for many areas. Further, whilst several of the Policies seem to aim to mimic national guidance none shows a complete regard for national or Core Strategy policy equivalents; in particular

Policies INF2 & INF3 offend the requirement that Neighbourhood Plan policies “relate to the development and use of land in line with the requirements of Section 38A of the Planning and Compulsory Purchase Act 2004”. The Qualifying Body has agreed that Policies INF1 – INF5 should be moved to a Plan Annex for community projects through which, perhaps, with altered wording the Parish Council might assume a watching brief for infrastructure priorities and investment.

Recommendation 23:

Either delete Policies INF1 – INF5 or move them to an Annex where, with suitable rewording, they can provide the basis for community projects.

11. Local Facilities

Policy LF1 Community Facilities

It is important for Policies to be clear about where they apply and therefore the “such as” sampling approach is insufficient. The earlier descriptive content provided details of the facilities that the community value, whether presently open or closed, and these should be incorporated into the Policy wording.

Recommendation 24:

Reword Policy LF1 as follows:

‘Proposals which assure the retention, enhancement or improvement of valued community facilities will be supported; if the relocation of a facility is involved the new location must be equally well located for the community it serves. Proposals that would diminish or remove a community facility will be required to demonstrate that the facility is no longer needed or viable and that there is no realistic prospect of viability being improved with either the current or other community use(s). New community facilities will in principle be supported. The current community facilities are: the public house and village hall in Bretford and the public house, the Brandon Club, the Brandon Hall Hotel, and the Brandon Stadium (presently closed) in Brandon.’

As reworded Policy LF1 meets the Basic Conditions.

Policy LF2 Safe Walking, Cycling and Horse Riding

It would appear that the first paragraph of this Policy is actually a statement of fact whereas the last sentence of the “Explanation” is a better statement of Policy than the negative version in paragraph 2 of the Policy. It would be helpful to the understanding of the Policy if the map of Rights of Way included after para 9.19 was relocated here and it would be further helpful if the Neighbourhood Area was superimposed.

Recommendation 25:

25.1 In Policy LF2 delete the first paragraph and replace it with the last sentence of para 11.8; delete the second paragraph of the Policy.

25.2 Relocate the map from page 44 (ideally with the Neighbourhood Area superimposed) to be adjacent to this Policy; add ‘Map 7:’ to the title and add a source reference.

As partly reworded Policy LF2 meets the Basic Conditions.

12. Potential Development Sites

Policies PDS1 & PDS2

Three substantial representations were made regarding these policies, from the Save Brandon Stadium Campaign Group, and from agents representing the owners of the two sites the subject of these two Policies. I would observe that no Neighbourhood Plan Policy is required to support the existing uses on the two sites since they have established planning consents. On the other hand the owners’ representations argue that the two Plan Policies

should provide a positive framework for the redevelopment of these two sites. However, as I have noted earlier, these two sites are within the Green Belt and as such the obligation of general conformity with the strategic policies of the Core Strategy does not allow the Neighbourhood Plan licence to amend or interpret strategic policy, or not without a proportionate body of evidence, even if that is what the community had indicated is desirable. Accordingly, as noted earlier, Policies PDS1 & PDS2 need to be deleted in order that the Basic Conditions are met; the issues around these two sites have been noted earlier when reviewing the content under the heading "Future Development Issues".

Recommendation 26:
Delete Policies PDS1 & PDS2.

Other matters raised in representations

I have not mentioned every representation individually but this is not because they have not been thoroughly read and considered in relation to my Examiner role, rather their detail may not add to the pressing of my related recommendations which must ensure that the Basic Conditions are met.

European Union (EU) and European Convention on Human Rights (ECHR) Obligations

A further Basic Condition, which the Brandon & Bretford Neighbourhood Plan must meet, is compatibility with European Union (EU) and European Convention on Human Rights (ECHR) obligations.

There is no legal requirement for a neighbourhood plan to have a sustainability appraisal. A Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) Screening Opinion for the Brandon & Bretford Neighbourhood Plan has been used to determine whether or not the content of the Plan requires a Strategic Environmental Assessment (SEA) in accordance with the European Directive 2001/42/EC and associated Environmental Assessment of Plan and Programmes Regulations 2004. In accordance with Regulation 9 of the SEA Regulations 2004, the Parish Council, as the responsible authority, determined in May 2018 that an environmental assessment of the emerging Brandon and Bretford Neighbourhood Plan was not required as it is unlikely to have significant environmental effects. In making this determination, the Parish Council had regard to Schedule 1 of the Regulations and carried out consultation with the consultation bodies who concurred with the screening opinion. Particularly in the absence of any adverse comments from the statutory bodies or the Local Planning Authority, I can confirm that the Screening undertaken was appropriate and proportionate and confirm that the Plan has sustainability at its heart.

The Brandon & Bretford Neighbourhood Plan has regard to fundamental rights and freedoms guaranteed under the ECHR and complies with the Human Rights Act 1998. No evidence has been put forward to demonstrate that this is not the case.

Taking all of the above into account, I am satisfied that the Brandon & Bretford Neighbourhood Plan is compatible with EU obligations and that it does not breach, nor is in any way incompatible with, the ECHR.

Conclusions

This Independent Examiner's Report recommends a range of modifications to the Policies, as well as some of the supporting content, in the Plan. Modifications have been recommended to effect corrections, to ensure clarity and in order to ensure that the Basic Conditions are met. Whilst I have proposed a significant number of modifications, the Plan itself remains fundamentally unchanged in the role and direction set for it by the Qualifying Body.

I therefore conclude that, subject to the modifications recommended, the Brandon & Bretford Neighbourhood Plan:

- has regard to national policies and advice contained in guidance issued by the Secretary of State;
- contributes to the achievement of sustainable development;
- is in general conformity with the strategic policies of the development plan for the area;
- is compatible with European Union (EU) and European Convention on Human Rights (ECHR) obligations.

On that basis I *recommend* to the Rugby Borough Council that, subject to the incorporation of modifications set out as recommendations in this report, it is appropriate for the Brandon & Bretford Neighbourhood Plan to proceed to referendum.

Referendum Area

As noted earlier, part of my Examiner role is to consider whether the referendum area should be extended beyond the Plan area. I consider the Neighbourhood Area to be appropriate and no evidence has been submitted to suggest that this is not the case. I therefore ***recommend*** that the Plan should proceed to referendum based on the Neighbourhood Area as approved by the Rugby Borough Council on 12th May 2016.

Recommendations: (this is a listing of the recommendations exactly as they are included in the Report)

Rec.	Text	Reason
1	<p>1.1 Delete the list of “Appendices” on page 3.</p> <p>1.2 On page 3 under the heading “Abbreviations” correct the long-form for SSSI as ‘Site of Special Scientific Interest’.</p>	For clarity and correction
2	<p>Under the heading “1. Introduction”:</p> <p>2.1 Delete this section apart from para 1.1 which should be moved to replace para 2.2 under the heading “2. The Neighbourhood Development Plan”; renumber the Plan sections accordingly.</p> <p>2.2 Reword the last sentence of para 1.1 as: ‘The Neighbourhood Development Plan (The Plan) will be subject to review at least every five years to ensure that it remains consistent with the direction of the Plan Objectives, national and local strategic planning policies.’</p>	For clarity and correction
3	<p>Under the heading “2. The Neighbourhood Development Plan”:</p> <p>3.1 Reword para 2.1 as follows: ‘Neighbourhood Development Plans were introduced by the 2011 Localism Act to develop a community-led planning framework for future development. They are about the use and development of land, guiding development proposals that may be brought forward within the lifetime of the Plan. The designated Neighbourhood Area for the Brandon & Bretford Neighbourhood Plan is shown on the adjacent Map 1.’</p> <p>3.2 Move the map and illustration presently on page 5 to be adjacent to section 2 and retitle the map as ‘Map 1: The Neighbourhood Area’.</p> <p>3.3 Replace para 2.2 as per Recommendation 2 above.</p> <p>3.4 In para 2.3 replace the second and third sentences with: ‘Policies within the Plan must be in general conformity with the strategic policies of the Development Plan for Rugby Borough. The Plan must also have regard to national planning policies and advice which are primarily set out in the National Planning Policy Framework (NPPF) and the national Planning Practice Guidance (PPG).’</p> <p>3.5 In para 2.4 under “Emerging Development Plan policy” delete “expected to be submitted Summer 2017”.</p>	For clarity and correction

4	<p>4.1 Under the headings “3. Brandon and Bretford – History” and “4. Present Day Character Appraisal of the Parish” add appropriate source references.</p> <p>4.2 In para 3.13 after “Coventry Stadium” add ‘(also known as Brandon Stadium)’.</p>	For clarity and correction
5	<p>Under the heading “Future Development Issues”:</p> <p>5.1 Move the first sentence of para 5.4 to the end of para 5.3.</p> <p>5.2 Reword paras 5.4 to 5.7 as follows:</p> <p>‘5.4 At the time of drafting this Plan there are two as yet undetermined planning applications for development on the sites of the former Oakdale Nurseries (application reference R18/0167) and the former Brandon Stadium (application reference R18/0186) both of which are at Brandon Hill. Neither of these applications envisages the reuse of existing buildings. Both of these sites are within the designated Green Belt (see adjacent Map 2). In the preparation of the Rugby Borough Local Plan, currently expected to be adopted early in 2019, no need is identified that would warrant the alteration to the Green Belt within the Parish. The NPPF para 89 says:</p> <p>“A local planning authority should regard the construction of new buildings as inappropriate in Green Belt. Exceptions to this are:[inter alia]</p> <ul style="list-style-type: none"> ● limited infilling or the partial or complete redevelopment of previously developed sites (brownfield land), whether redundant or in continuing use (excluding temporary buildings), which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.” <p>The NPPF Glossary defines “previously developed land” as: “Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: [inter alia] land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.”</p> <p>Evidently a number of factual considerations and planning judgements are involved in determining whether either or both of the</p>	For clarity and correction and to meet Basic Conditions 1 & 3

	<p>proposals the subject of applications might be considered not inappropriate in the Green Belt.</p> <p>5.5 The public consultation undertaken in connection with this Plan indicates that there is a community wish that the established uses of these sites should be retained ie the use of Oakdale Nurseries as a plant nursery or garden centre (a time-expired planning consent R11/0786 allowed for the latter description) and the use of Brandon Stadium as a celebrated sports facility for speedway and stock car racing. The community is not persuaded by the arguments that these uses are not or cannot be made viable at their locations.</p> <p>5.6 The planning applications submitted as outline envisage a "Care Village residential retirement development" for the Oakdale Nursery site and a "residential development of up to 137 dwellings (Use Class C3)" for the Brandon Stadium site. The community is neither persuaded that these are appropriate uses for the selected locations in an attractive landscape within the Green Belt nor that a need for these developments within the Neighbourhood Area has been established.'</p> <p>5.3 Take in para 12.16 as para 5.7 (adding a source for the Landscape Sensitivity Study) and add: 'The same Study identified the surrounds to the Brandon Stadium itself as having high-medium sensitivity to housing development. The draft Local Plan for Rugby Borough establishes that there are, and seeks to allocate, sufficient sites for these housing uses at locations in keeping with strategic policy priorities.'</p> <p>5.4 Renumber the existing para 5.7 as 5.8.</p>	
<p>6</p>	<p>Under the heading "Vision Statement for the Parish of Brandon and Bretford":</p> <p>6.1 In the second sentence of the Vision Statement replace "It" with 'The Neighbourhood Plan'.</p> <p>6.2 Replace "Strategic Objectives" with 'Overarching Objectives'; bring all subsequent references into line with this change.</p> <p>6.3 Under the sub-heading "Local Facilities", replace the wording of the Objective with that used on page 51.</p> <p>6.4 At the foot of the page add: 'N.B. This Plan should be read as a whole as several or all Policies may apply to any development proposal within the Neighbourhood Area'.</p>	<p>For clarity and correction</p>

7	<p>Under the heading "6. Housing":</p> <p>7.1 Reword the second sentence of para 6.1 as: 'Brandon Village is defined in the Rugby Core Strategy as a "Local Needs Settlement" (in the draft Rugby Local Plan "Rural Village") where development will be permitted within the existing boundary only. In Bretford Village, which is washed over by Green Belt, only limited infilling within the built up area is supported by national policy'.</p> <p>7.2 Delete the third sentence of para 6.1.</p> <p>7.3 Move the map headed "Area designated [as] Green Belt" to within section 5 and add to the title 'Map 2:' as well as adding a key and a source.</p>	For clarity and correction
8	<p>Under the heading "Policy H1 Brandon – Green Belt Inset Area":</p> <p>8.1 Partially reword Policy H1 as follows: 'Within the Green Belt Inset Area for Brandon Village (see Map 3) proposals for new dwellings will be supported in principle, subject to appropriate regard being demonstrated for the Conservation Area that covers much of the Village.'</p> <p>8.2 Ensure here, and for all subsequent Policies, that the sub-heading "Explanation" has a font size more in keeping with the other text.</p> <p>8.3 Improve the legibility of the related map on page 25 by reducing the thickness of the boundary lines; retitle as 'Map 3: Brandon Inset Area and Conservation Area' as well as adding source references showing where the two boundaries are defined.</p>	For clarity and correction and to meet Basic Condition 1
9	<p>9.1 Reword Policy H2 as follows: 'Proposals for the redevelopment of brownfield land to create new homes will be supported in principle subject to the following:</p> <ul style="list-style-type: none"> a. the land is not of high environmental value; b. the residential use is compatible with the surrounding uses and means of access; c. the impact, including visual impact, on the surrounding landscape and properties is assessed as acceptable; d. no loss or displacement, complete or partial, of employment, community, sport or recreation uses unless it can be demonstrated: <ul style="list-style-type: none"> i. that the existing uses are no longer viable or required in accordance with other Development Plan policies, and 	For clarity and correction and to meet Basic Conditions 1 & 3

	<p>ii. on the basis of an objective assessment, the benefits of residential development outweigh the loss of the current use;</p> <p>e. the site in its setting and its appearance are enhanced; and</p> <p>f. there is no conflict with national Green Belt policy where applicable.'</p> <p>9.2 Replace the present content of para 6.5, as this matter has been addressed in an earlier Recommendation, with: 'Policy GP3 of the draft Rugby Borough Local Plan says, with some caveats, that: "The Council will support the redevelopment of previously developed land where proposals are compliant with the policies within this Local Plan".'</p> <p>9.3 Delete the "Brandon on the Hill" illustration as inappropriate at this point in the Plan.</p>	
10	<p>Reword Policy H3 as follows: 'The provision of affordable housing will be supported as infill within the Brandon Inset Area, as part of any appropriate redevelopment of brownfield land and as a rural exception site adjacent to the village boundaries of Brandon and Bretford, all in accordance with the relevant adopted policies in the Development Plan and the NPPF.'</p>	For clarity and correction
11	<p>11.1 In the first paragraph of Policy H4 replace "this Plan" with 'the Development Plan'.</p> <p>11.2 In the second paragraph reword the criteria as follows: 'a. establishing that the accommodation proposed will meet identified specialist housing requirements; and b. establishing that suitable access will be available to essential services including public transport, shops and health care.'</p>	For clarity and correction
12	<p>Reword Policy H5 as follows: 'Within the Inset Boundary of Brandon Village any proposals involving the loss of garden land will be required to demonstrate that: a. the character of the local area is retained or enhanced; b. the established settlement pattern is respected; c. the amenities of the host dwelling and neighbouring properties are respected; d. the visual impact on the host dwelling and</p>	For clarity and correction and to meet Basic Condition 1

	neighbouring properties is addressed; and e. appropriate arrangements for vehicular access and off-road parking are achieved.'	
13	Reword the opening paragraph of Policy E1 as follows: 'Proposals for the change of use or the redevelopment of land or premises that are in employment use or which were last used for employment will be supported where it can be demonstrated that the following requirements are met.'	For clarity and correction and to meet Basic Condition 1
14	14.1 Reword Policy E2 as follows: 'Proposals for the development of new employment opportunities will be supported where they: a. are appropriate in type and scale for their rural location and in keeping with national Green Belt Policy where applicable; b. have appropriate regard for the character of the area and the amenities of neighbours; c. do not, without mitigation, result in the loss of green infrastructure; and d. include appropriate arrangements for vehicular access and off-road parking.' 14.2 Delete the reference to Appendix 3 as per earlier Recommendation.	For clarity and correction and to meet Basic Conditions 1 & 3
15	15.1 Reword Policy CON1 as follows: 'Development proposals that affect a heritage asset and its setting, whether designated or not, or the Brandon Conservation Area must demonstrate appropriate regard for the asset and its significance and within Conservation Area for the character and appearance of the Area (see adjacent Map 4). Proposals that would contribute appropriately to the restoration or enhancement of a heritage asset or the Brandon Conservation Area will be supported in principle.' 15.2 Improve the scale of the map on page 33 and incorporate the locations of the Listed Buildings and Ancient Monuments with a schedule of these as part of the key; retitle the map as 'Map 4: Heritage Assets and the Brandon Conservation Area'; add a key and a source.	For clarity and correction and to meet Basic Conditions 1 & 3
16	16.1 Reword the first paragraph of Policy CON2 as follows: 'Development proposals must have appropriate regard for any potential impact, directly or indirectly, on the Sites of Special	For clarity and correction and to meet Basic Condition 1

	<p>Scientific Interest (SSSI), the designated Local Wildlife Sites (LWS) and the Plantation on an Ancient Woodland Site (PAWS) shown on the adjacent Map 5.'</p> <p>16.2 Bring the details in the text, on the map and in the schedule into line (including reference to the PAWS); enlarge the scale of the map, add 'Map 5:' to its title, and also add a source and a key.</p>	
17	<p>17.1 In Policy BNE1 criterion a replace "and respecting" with "by respecting".</p> <p>17.2 Replace BNE1 criterion b with BNE2 criterion e.</p> <p>17.3 Move BNE1 criterion f to Policy BNE2.</p> <p>17.4 Delete the final paragraph which is merely the negative of the same policy.</p>	For clarity and correction and to meet Basic Condition 1
18	<p>18.1 As noted above, replace BNE2 criterion e with BNE1 criterion b.</p> <p>18.2 Delete criterion c as it is addressed within Policy BNE5.</p> <p>18.3 Incorporate Policies BNE3 & BNE4 as new criteria, after renumbering, e & f; part of BNE4 was addressed within BNE1 so reword BNE4 as: 'In order to preserve the rural character of the villages and the surrounding countryside, lighting should be kept to a minimum commensurate with safety considerations.'</p> <p>18.4 Renumber subsequent BNE Policies accordingly.</p>	For clarity and correction and to meet Basic Condition 1
19	<p>19.1 Reword the second paragraph of Policy BNE5 as follows: 'The replacement of dwellings within the Green Belt will be permitted provided that: a. the form and bulk of the new dwelling is not materially larger than that of the original dwelling or that which could be achieved as permitted development; b. the new dwelling is not more intrusive in the landscape than that which it replaces; c. the new dwelling has substantially the same siting as the existing; d. the existing dwelling to be demolished is not of historic merit; and e. the proposal accords with the Design Principles in Policy BNE2.'</p> <p>19.2 Delete para 9.9 in the supporting text and renumber subsequent paragraphs accordingly.</p>	For clarity and correction and to meet Basic Condition 1
20	Under the heading "Policy BNE6 Protection	For clarity and correction and to meet

	<p>of Natural Features”:</p> <p>20.1 Replace the last sentence of the first paragraph with: ‘Where applicable, proposals should seek to contribute to the aims of the Princethorpe Woodlands Living Landscape Area’; add a source reference to the related webpage in para 9.12 of the “Explanation” text.</p> <p>20.2 Replace the last sentence of the second paragraph with: ‘Proposals should have regard to the Warwickshire, Coventry and Solihull Biodiversity Action Plan which aims to create, enhance and restore habitats for biodiversity’; add a source reference to the related webpage in para 9.13 of the “Explanation” text.</p> <p>20.3 At the beginning of the fourth paragraph replace “opportunity to open up” with ‘opening up of’.</p>	Basic Conditions 1 & 3
21	<p>21.1 Reword Policy BNE7 as follows: ‘Brandon War Memorial Green as shown on the adjacent Map 6 is designated as a Local Green Space’.</p> <p>21.2 Add a map precisely delineating the Brandon War Memorial Green titled: ‘Map 6: Brandon War Memorial Local Green Space’.</p> <p>21.3 Replace the second sentence of para 9.14 with: ‘The Brandon War Memorial Green satisfies the NPPF criteria for Local Green Space designation as it “is in reasonably close proximity to the community it serves”, “is local in character and is not an extensive tract of land” and it is also “demonstrably special to a local community and holds a particular local significance” because historically it has been the centre and focal point for the village of Brandon, it is the site of Brandon and Bretford War memorial, memorial trees, benches and a red, original BT telephone box, it is the setting for Tiddly Bank Cottage (16th century thatched cottage) and is within close proximity of the old school house, coach house, Victorian terraced cottages, shop and bakery.’</p>	For clarity and correction and to meet Basic Condition 1
22	<p>22.1 Retitle Policy BNE8 as ‘Valued rural character and setting’ and reword the Policy as follows:</p> <p>‘Development proposals should identify, assess and address their impact on the valued rural character and setting of the Neighbourhood Area; rural aspects should include, but are not limited to, inter-visibility and ready access between the built and</p>	For clarity and correction and to meet Basic Condition 1

	<p>countryside areas, visual and actual separation between distinct settlements, respect for the patterns and scale of rural settlements, and respect for distinct features of the landscape and the settings of heritage assets.'</p> <p>22.2 Delete para 9.19 and the related map on page 44 (but also see later Recommendation).</p>	
23	<p>Either delete Policies INF1 – INF5 or move them to an Annex where, with suitable rewording, they can provide the basis for community projects.</p>	<p>For clarity and correction and to meet Basic Condition 1</p>
24	<p>Reword Policy LF1 as follows: 'Proposals which assure the retention, enhancement or improvement of valued community facilities will be supported; if the relocation of a facility is involved the new location must be equally well located for the community it serves. Proposals that would diminish or remove a community facility will be required to demonstrate that the facility is no longer needed or viable and that there is no realistic prospect of viability being improved with either the current or other community use(s). New community facilities will in principle be supported. The current community facilities are: the public house and village hall in Bretford and the public house, the Brandon Club, the Brandon Hall Hotel, and the Brandon Stadium (presently closed) in Brandon.'</p>	<p>For clarity and correction and to meet Basic Conditions 1 & 3</p>
25	<p>25.1 In Policy LF2 delete the first paragraph and replace it with the last sentence of para 11.8; delete the second paragraph of the Policy.</p> <p>25.2 Relocate the map from page 44 (ideally with the Neighbourhood Area superimposed) to be adjacent to this Policy; add 'Map 7:' to the title and add a source reference.</p>	<p>For clarity and correction</p>
26	<p>Delete Policies PDS1 & PDS2.</p>	<p>For clarity and correction and to meet Basic Conditions 1 & 3</p>



Brandon & Bretford Neighbourhood Development Plan to 2031

Referendum Version

January 2019



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Supporting documentation for the Brandon and Bretford Neighbourhood Development Plan may be found on the Parish Council website:

<http://www.parish-council.com/brandonandbretford/index.asp>

ABBREVIATIONS

NDP – Neighbourhood Development Plan

VDS - Brandon Village Design Statement

RBC – Rugby Borough Council

NPPF – National Planning Policy Framework

PPG – Planning Practice Guidance

SSSI – Site Of Special Scientific Interest

LWS – Local Wildlife Site

PDL – Previously Developed Land

PAWS – Plantation on an Ancient Woodland Site

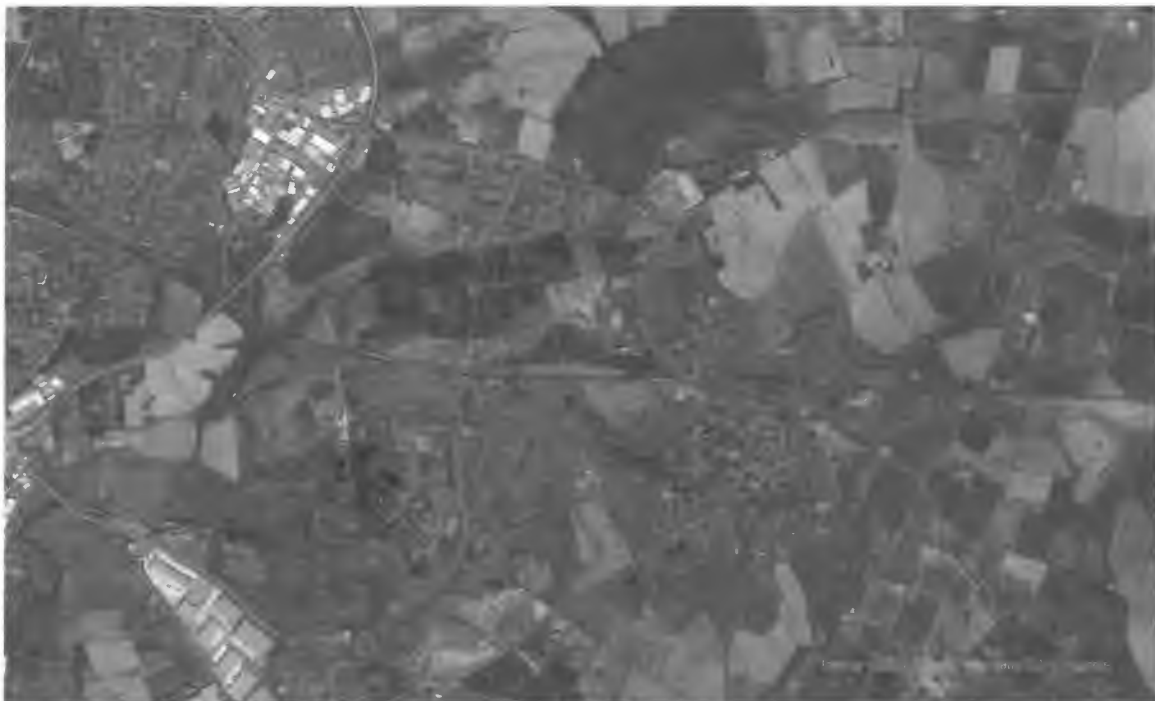
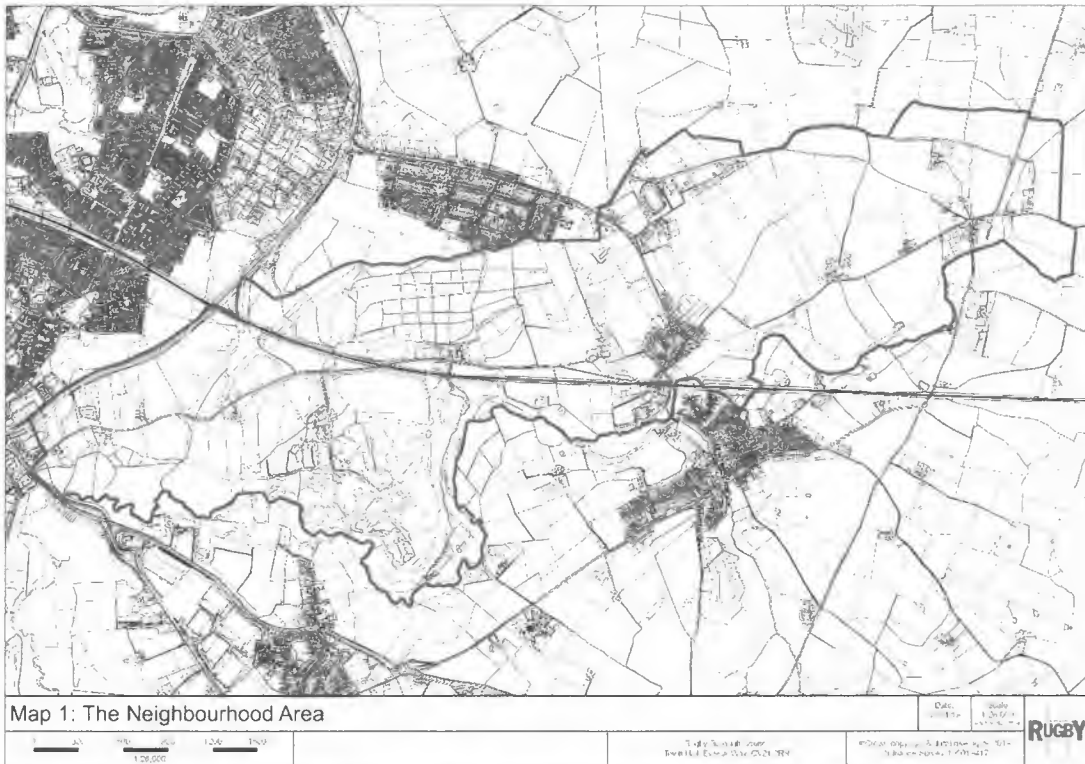
1. THE NEIGHBOURHOOD DEVELOPMENT PLAN

- 1.1 Neighbourhood Development Plans were introduced by the 2011 Localism Act to develop a community-led planning framework for future development. They are about the use and development of land, guiding development proposals that may be brought forward within the lifetime of the plan. The designated Neighbourhood Area for the Brandon and Bretford Neighbourhood Plan is shown on the adjacent Map 1.
- 1.2 This Neighbourhood Development Plan aims to make the parish of Brandon and Bretford an even better place to live, now and for future generations. It covers the period to 2031 which is consistent with the emerging Rugby Local Plan which will eventually replace the adopted Rugby Core Strategy which covers the period to 2026. The Neighbourhood Development Plan (The Plan) will be subject to review at least every five years to ensure that it remains consistent with the direction of the Plan Objectives, national and local strategic planning policies.
- 1.3 The Plan represents a real opportunity for the community in the Parish of Brandon and Bretford to decide how the Parish should evolve in the period to 2031. Policies within the Plan must be in general conformity with the strategic policies of the Development Plan for Rugby Borough. The Plan must also have regard to national planning policies and advice which are primarily set out in the National Planning Policy Framework (NPPF) and the national Planning Practice Guidance (PPG).
- 1.4 The Development Plan for Rugby District comprises the following documents:
- Rugby Borough Core Strategy 2011
 - Local Plan saved policies 2009
 - Warwickshire Waste Core Strategy 2013
 - Saved policies (on minerals) of Warwickshire Minerals & Waste Local Plan 2007.

Emerging Development Plan policy within the District of Rugby comprises:

- Rugby Local Plan
 - Warwickshire Minerals Core Strategy
- 1.5 The Neighbourhood Plan will not consider the County wide issues of waste and minerals as these are not considered to be appropriate matters for Neighbourhood Plans to address in a local context.

Map 1: The Neighbourhood Area



Map and aerial view of the NDP area for Brandon and Bretford

2. BRANDON AND BRETTFORD - HISTORY

HISTORY OF BRANDON

- 2.1 The Parish of Brandon and Bretford contains a wealth of history probably dating back to Neolithic times (c3500BC) centred upon the supply of water from the Avon which flows through the heart of the Parish. The earliest evidence of human activity is in the field between Avondale Road and the river, where crop marks, possibly dating to Neolithic times, are recorded by The Warwickshire Historic Environment*. This monument is listed with other local historic sites such as the bronze-age burial found during the building of the railway (1820s), and the possible deserted medieval settlement in the village field.

*Source: <http://www.heritagegateway.org.uk/gateway/chr/herdetail.aspx?crit=&ctid=93&id=4747>

- 2.2 Brandon Wood is a remnant of the ancient Forest of Arden. The name Brandune (Domesday1086) probably originated from the burning of scrubland near the river, hundreds of years previously, making the land suitable for people to settle here.*

*Source: The Place Names Of Warwickshire by J.E.B. Glover (1936)

- 2.3 This settlement continued with land-ownership decided by inheritance or marriage until 1066 when the Country was distributed by William the Conqueror amongst his own invading countrymen. Unusually (one of the only two) Brandon Manor was left in the charge of Thorkell, a Saxon. On his death Brandon Manor was given to Geoffrey de Clinton, Chamberlain and Treasurer to King Henry I.

- 2.4 Brandon Castle, built in the mid-12th Century was acquired, via marriage, by Norman De Verdon. It was attacked in 1265 by the Rebel Barons, under Simon De Montfort, and largely destroyed. It was rebuilt in 1279 and was lived in until 1309.*

Source: Victoria County History, Warwick, Vol 6

- 2.5 The river Avon, which has always separated Brandon from its near neighbour Wolston, has acted as a secure boundary – the nearest ford being at Bretford, which provided safe housing for livestock when drovers arrived. Bretford also had a charter for a livestock market, granted by Henry II. In C13th Bretford had a gallows, erected by Nicholas de Verdon*, when the lord of the manor had the authority to hold court and could mete out punishment including hanging. Access to Bretford from Brandon and Coventry was via Gossey (or Gosset) Lane. This major highway was also the site of Earl Craven's gallows on his boundary at the triangle of grass known as the Cocked Hat – now it is a quiet and utterly delightful walk.

Source: The Fortunes Of A Norman Family by Mark Haggard (2001)



The bridge over the River Avon from Brandon to Wolston

- 2.6 The Avon was also a source of power for the various mills – flour, paper, wool and silk – up to the short-lived development of an artificial silk mill shortly after the Second World War for which skilled workers were brought in from Wales. There have been mills in Brandon since before 1086, the last vestige of any mill in the area – the mill stone – has been erected in the centre of Wolston to commemorate the start of the year 2000*.

*Source: Brandon Silk Mill – Ghosts Of The 11th Green by Ann Langley

- 2.7 The railway came to Brandon in the 1820s, George Stevenson's Avon Viaduct was an engineering feat, redirecting the course of the river.



The railway bridge carrying the west coast main line from London to Birmingham.

- 2.8 The arrival of the railway meant local people could travel further afield for work and pleasure. Brandon station enabled goods and livestock to flow in and out.

- 2.9 Likewise, tourists began to visit Brandon for its boating, swimming, paddling and Tea Rooms.
- 2.10 The last local major land-owner was the Beech family* who bought Brandon Wood and its buildings in 1825 and lived in Brandon Manor until the old shooting lodge was rebuilt as a suitable country residence to become Brandon Hall. The family also provided the Village School and Brandon Club for their estate workers.
*Source: Victoria County History, Warwick Vol 6
- 2.11 When the Beech family left the Hall all their tenants were given their cottage homes and the tenant-farmers given the opportunity to buy their farms.
- 2.12 The Brandon Estate adjoined Coombe Abbey Estate. Coventry Stadium (also known as Brandon Stadium) was built on Beech land near to the border in 1926. Around the speedway are traces of the older, rural life; farms, cottages, a disused brickyard and nurseries. In the 1920s new homes were built along Rugby Road and Speedway Lane on land belonging to the Beeches. These mingled with the older houses marking another stage of development in Brandon. The area also provided temporary wooden shacks for people fleeing the Coventry Blitz. Planning permission to convert the shacks into houses in the 1950s/60s was given prior to the introduction of The Green Belt.
- 2.13 During the late 40s early 50s Brandon Lane provided sand and gravel extraction (and subsequently in some parts land fill) providing material for the national house building programme. Large lorries took extracted material away from Brandon Lane and landfill material into the Brandon Lane sites. This put pressure on Brandon's narrow village streets and the older houses sited on the edge of the road in Main Street. The junction of Brandon Lane/ Main Street/ Avondale Road saw collisions of heavy lorries with some serious accidents. This led to the introduction of a one way system designed by the local police and still in operation today. There is still a remnant of the sand and gravel days, one of the businesses in Brandon Lane is a concrete batching plant.
- 2.14 However there have been benefits such as Brandon Marsh and Brandon Golf Course which have provided recreational and conservation developments.

HISTORY OF BRETTFORD

2.15 The Fosse Way

The original Roman line of the Fosse Way was diverted to the west in the Middle Ages to its present crossing point in Bretford. The name of the village, first recorded about 1100, is derived from the Old English bred ford, meaning "the plank ford". The reference is probably to a plank footbridge or post marking the ford across the River Avon, which preceded the bridge. The first record of the

bridge is from 1279. In 1653 the bridge was in great decay and was repaired at the cost of the county. The existing bridge was built in the C18th and is now a Grade II listed building.*

Source: <https://en.wikipedia.org/wiki/Bretford> & Mr J. Chatwin. Brandon, Bretford & Wolston History Group



The Fosse Way Bridge over the River Avon in Bretford

- 2.16 In the C12th a convent was located in Bretford founded by Geoffrey de Clinton, and given to Kenilworth Priory. Later a hospital cum leper colony was established. This hospital, with its chapel, was dedicated to the honour of St. Edmund. It was almost certainly founded by the Turvilles of Wolston, as they were its patrons throughout the fourteenth century.
- 2.17 In the C11th Bretford became an important market town. Nicholas de Verdon, lord of the manor, obtained a special charter for a weekly market on Tuesday; and his descendant, Theobald, had the power of life and death both at this place and Brandon. Medieval Gallows were erected on the Fosse Way. The gallows were an indicator of the Royal privileges belonging to Brandon Castle which he occupied.*

* Source: *The Fortunes Of A Norman Family* by Mark Haggard (2001)

- 2.18 Following the Black Death in the 15th century Bretford declined almost completely and never recovered. Bretford now consists of a few cottages by the road, a pub, a farm and the bridge across the Avon.

3. PRESENT DAY CHARACTER APPRAISAL OF THE PARISH

Brandon Village

- 3.1 The Parish forms a linear wedge of countryside to the south east of Coventry stretching from the A45 in the west, A46 to the north, to the village of Bretford in the east with the river Avon forming the southern boundary. Part of the northern boundary adjoins the parishes of Binley Woods and Brinklow.
- 3.2 Within the Parish are the two villages of Brandon and Bretford. Brandon is the largest village in the Parish and is centred upon the junction between the A428 and the junction with Main Street leading south to Wolston. To the north west of the main village lies a small area of housing at the top of Brandon Hill which is an integral part of Brandon village. In total Brandon comprises approx. 250 dwellings.
- 3.3 The village of Bretford is much smaller comprising of approx. 50 dwellings, clustered around the junction of the A428 where it meets The Fosse Way and then crosses the river Avon to the south of the village. Beyond the settlements of Brandon and Bretford, the Parish is predominantly rural in character and is dotted with individual houses and farms plus a small developed gypsy site along Brandon Lane close to its junction with the A45.
- 3.4 Brandon is set in a gently undulating landscape with a rural approach from the north, east and west. The south approach from Wolston crosses the River Avon through a small area of open land between the two villages.
- 3.5 Brandon is not unduly prominent on most approaches due to the orientation of roads and the mature landscaping, whilst the approach from Wolston is dominated by the railway viaduct. The village remains strongly linked to the countryside and has retained its character as a rural settlement, despite the close proximity of the relatively large villages of Wolston and Binley Woods.
- 3.6 All approaches to the village are rural in character with fields, hedges and mature trees. The village is not visible until the built part has been reached.

See Brandon Village Design Statement (VDS) page 6 & 7*.

*www.rugby.gov.uk/downloads/file/478/brandon_village_design_statement

- 3.7 Within the village the landscape remains important with a large amount of prominent hedge planting forming boundaries adjacent to the roads that pass through the village. The mature trees adjacent to the village present a soft backdrop to the houses many of which back onto fields. Even in the more densely developed parts of the village the mature trees beyond the settlement edge are visible and play a key role in softening the character of the street scene.
- 3.8 The centre of Brandon village is a designated conservation area with buildings dating from the 16th century to the present day. A relatively large number of

buildings were built in the latter part of the 20th century but the prevailing character remains. The majority of pre 1900 buildings are listed. The vast majority of the building stock is in good order and virtually all the buildings are occupied.



Brandon village conservation area and village boundary

3.9 There are distinctive architectural styles from different periods set in a non-uniform pattern of development.

- a. Timber framed buildings with whitewashed brick infill and / or thatch.
- b. Cottage style.
- c. Red brick is the dominant material in the village.
- d. Victorian gothic style.
- e. Georgian three storeys with a rhythmic window pattern.
- f. Barn conversions
- g. Modern farmhouse style buildings.



Thatched cottages and timber framed buildings



Red brick housing



More recent housing developments

- 3.10 Green space plays an important role in defining the character of the village. The village is set within countryside and the open landscape is the dominant feature on the approaches to Brandon and this combination of greenery and buildings continues within the village.
- 3.11 There are village greens at the junction of A428 Rugby Road and Main Street which provide important public open space. They open up the settlement from the built form and provide the location for important structures including the war memorial and the telephone kiosk. The greens soften the appearance which otherwise could be dominated by the roads and provide the gateway from Rugby Road into the northern part of the village. Although the greens are divided up by roads they form one cohesive area of open space.
- 3.12 Private gardens also play an important role, providing open space between buildings and softening the appearance of the village. Hedges along highways and around dwellings form important boundaries and often prevent the full view of buildings. This adds to the element of the unknown before buildings come more fully into view. They also soften the appearance of the built environment and provide a further link with the wider countryside.



Typical boundary gardens

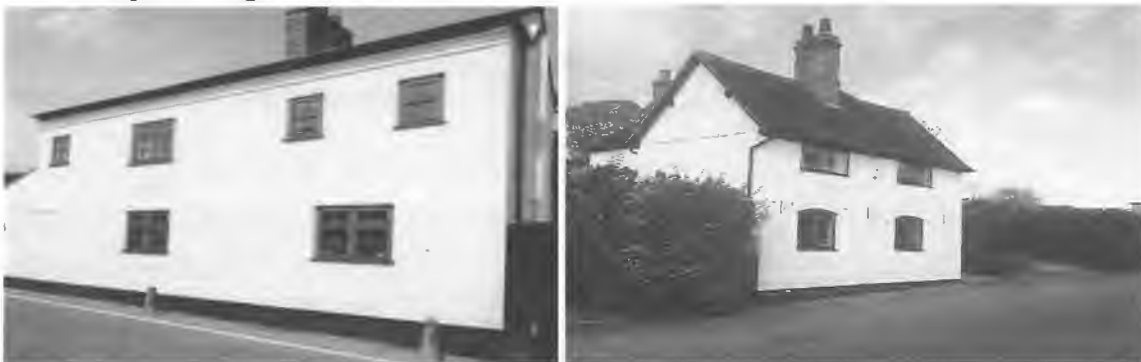
3.13 The village contains a variety of mature hedges comprising holly, hawthorn, blackthorn and slowberry. These together with grass verges and open fronted gardens help to enhance and soften the appearance of buildings in the village.



Typical hedges



Boundary fencing



Houses on edge of Main Street with no pavement

- 3.14 The quality and the number and variety of trees throughout the village are high. The trees contribute individually and collectively and provide an important link to the adjoining countryside and to the parkland setting around Brandon Hall hotel.
- 3.15 The importance that trees, hedges and green space play in defining the character of Brandon cannot be underestimated and is recognised in the Brandon Conservation Area Appraisal.
- 3.16 Brandon has few facilities other than Brandon Hall Hotel, the Royal Oak public house, and Brandon Club. These are well used facilities by locals and visitors. The village shop, school and railway station have long since closed. The nearest shop and community facilities being provided in the neighbouring villages of Wolston and Binley Woods.

Brandon Hill



Aerial View Of Brandon Hill

- 3.17 Whilst part of the Parish of Brandon, the group of houses on Brandon Hill lie close to the eastern edge of the neighbouring village of Binley Woods and are separated from the main village of Brandon by open countryside on either side of the A428 Rugby Road as it drops down into the centre of the village.

3.18 There are two main housing clusters on Brandon Hill plus the site of Brandon Stadium and, on the opposite side of the A428, the former Oakdale Nursery site which has been vacant for a number of years.



Typical housing and view of Brandon Hill



Views by Brandon Stadium and looking over the former Oakdale Nursery site



The open countryside in and around Brandon Hill



The now closed Brandon Stadium at Brandon Hill – open green spaces

Bretford Village



Aerial view of Bretford village

- 3.19 Lying to the east of the parish, Bretford is a much smaller village than Brandon and although having had a strong connection over the ages with both Brandon & neighbouring Wolston it has its own separate identity.
- 3.20 In the Middle Ages Bretford was an important settlement. However today it is a small radial settlement with housing spread along approaching roads with houses fronting onto the B4455 (Queens Road) and the A428 as both pass through the village. The A428 / Fosse Way cross the Grade II listed Bretford Bridge. The village also has outlying houses and farms.
- 3.21 There are two listed houses in the Bretford, Oakdene and Ivy Cottage Farmhouse and a public house, The Queens Head. Lying just outside of the village on Brandon Road is a small cluster of houses connected to Bretford by an extremely narrow footpath.
- 3.22 Other than the Queens Head public house, Bretford has no other local amenities except for a village hall and adjoining recreation ground. There are no bus services running through the village and pedestrian access over Bretford Bridge is via an extremely narrow footpath meaning that the village is isolated from easy access to public transport. The recreation ground is well used by visiting caravan clubs, and also contain a cycle speedway track.



Range of housing in Bretford from the old to the relatively new



Bretford Village Field is home to.....Bretford Village Hall.....



.....Cycle Speedway.....



.....and Caravan Clubs

The Rural Parts of the Parish

- 3.23 Beyond the villages of Brandon and Bretford the Parish is predominantly a mixture of woodland, agricultural fields and leisure activities typical of an urban fringe adjoining the large urban area of Coventry. In addition the Parish has important rich and diverse areas of nature conservation that attract many visitors, walkers and cyclists to the area as well as people interested in ecology, birds and other wildlife. The Parish also contains a good network of footpaths and bridleways providing access to the countryside although some could be improved through better integration.
- 3.24 Approaching Brandon, from the A45 in the west, is Brandon Lane. This is a country road bounded by substantial hedgerows winding through pasture and farmland, with associated farmsteads and buildings, and bordered by copse and woodland to the north. By the roadside an old country house and agricultural buildings, now a business centre, help preserve the rural character. To the south the land is more open, the fields extending down to the river Avon. Before the railway bridge is the extensive nature reserve of Brandon Marsh, a Site of Special Scientific Interest (SSSI). Its pools, formerly the settling-pools associated with mining subsidence in the 1940's and 1950's, now provide an important natural habitat for a wide variety of birds and attract 24,000 visitors per year. East of Brandon Marsh, beyond the railway bridge, is Brandon Wood Golf Club with its beautiful course owned by Coventry City Council. Here the lane and railway track run side by side with three narrow fields separating them. Entering the village the land becomes the grounds of Castle Hill Riding School - the site of the former Brandon Castle, a Scheduled Ancient Monument.
- 3.25 Starting again from the railway bridge, but looking north, is Brandon Wood Farm where young adults with learning difficulties are involved in horticulture and the care of farm animals. The surrounding fields are framed by Brandon Wood which covers an area of 178 acres (purchased and looked after by the local community), it was mentioned in the Domesday Book, 1086. This wood largely forms the northern limit of the Parish separating it from the village of Binley Woods. To the east of Brandon Wood is another wood - Brandon Little Wood, owned by Coventry City Council. In here is a listed Ice-House. This adjoins the grounds of the now disused Oakdale Nursery with its old and largely dilapidated greenhouses, other associated buildings and a vacant bungalow. In the grounds is a large pond (presently a wildlife haven), built as a reservoir which adjoins Brandon Little Wood. To the south of the wood is a meadow, formerly sand and gravel pits, which is now a proposed Local Wildlife Site (LWS) and the grounds of Brandon Hall Hotel within which are the remains of the former walled garden.
- 3.26 The countryside between Brandon and Bretford, either side of the A428, is almost exclusively farmland affording distant views across to the river Avon to the south and to the north rising quite sharply. Other than isolated farms and

associated farm buildings the character of this part of the Parish is open and predominantly agricultural.



Rural approaches to Brandon from Bretford and from Binley Woods



Rural views from Brandon Village Field



Horse riding is a popular pursuit

4. FUTURE DEVELOPMENT ISSUES

- 4.1 The Parish of Brandon and Bretford is a valued place to live and the village survey that was undertaken at the start of the process of formulating the Neighbourhood Plan, found that a large majority of respondents were extremely fond of living in the Parish and few expressed a desire or intention to leave.
- 4.2 The survey found that most residents wanted Brandon and Bretford to retain their existing character and to ensure that the specific qualities the Parish offers in terms of the quality of the environment and the varied opportunities for walks and for enjoying the countryside are protected.
- 4.3 However, the survey did highlight a number of concerns that most specifically relate to issues affecting the two villages, with the majority of respondents citing concerns about traffic volumes and speeds through the villages and elsewhere within the Parish. Other issues raised included the lack of local facilities within both Brandon and Bretford.
- 4.4 At the time of drafting this Plan there are two as yet undetermined planning applications for development on the sites of the former Oakdale Nurseries (application reference R18/0167) and the former Brandon Stadium (application reference R18/0186) both of which are at Brandon Hill. Neither of these applications envisages the reuse of existing buildings. Both of these sites are within the designated Green Belt (see adjacent Map 2). In the preparation of the Rugby Borough Local Plan, currently expected to be adopted early in 2019, no need is identified that would warrant the alteration to the Green Belt within the Parish. The NPPF para 89 says:

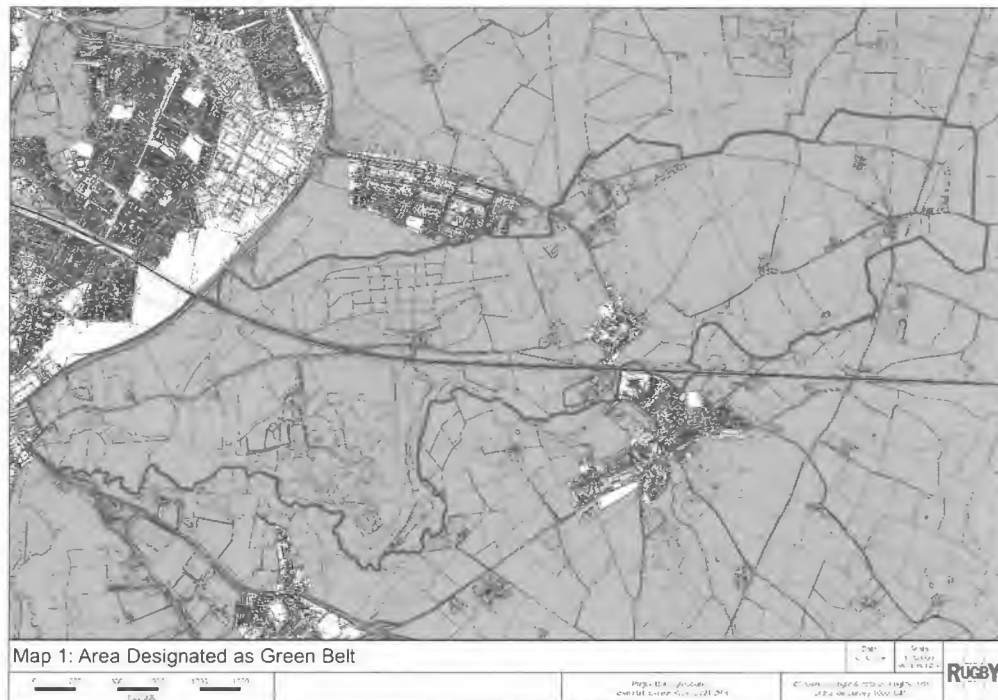
“A local planning authority should regard the construction of new buildings as inappropriate in Green Belt. Exceptions to this are:[inter alia]

- limited infilling or the partial or complete redevelopment of previously developed sites (brownfield land), whether redundant or in continuing use (excluding temporary buildings), which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.”

The NPPF Glossary defines “previously developed land” as: “Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: [inter alia] land that was previously-developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time.”

Evidently a number of factual considerations and planning judgements are involved in determining whether either or both of the proposals the subject of applications might be considered not inappropriate in the Green Belt.

Map 2: Area Designated As Green Belt



Source: Ministry of Housing, Communities and Local Government.

- 4.5 The public consultation undertaken in connection with this Plan indicates that there is a community wish that the established uses of these sites should be retained i.e. the use of Oakdale Nurseries as a plant nursery or garden centre (a time-expired planning consent R11/0786 allowed for the latter description) and the use of Brandon Stadium as a celebrated sports facility for speedway and stock car racing. The community is not persuaded by the arguments that these uses are not or cannot be made viable at their locations.
- 4.6 The planning applications submitted as outline envisage a “Care Village residential retirement development” for the Oakdale Nursery site and a “residential development of up to 137 dwellings (Use Class C3)” for the Brandon Stadium site. The community is neither persuaded that these are appropriate uses for the selected locations in an attractive landscape within the Green Belt nor that a need for these developments within the Neighbourhood Area has been established.’
- 4.7 The Landscape Sensitivity Study* produced in 2016 by Warwickshire County Council on behalf of Rugby District Council assessed the Oakdale Nursery Site

and found that all of the site, beyond the small triangular shaped frontage housing the derelict bungalow and nursery buildings, was classed as being of high landscape sensitivity to housing development and would be inappropriate for development due to its rural character and its historic associations as part of the grounds to Brandon Hall. It also provides a degree of separation between Binley Woods and Brandon which is important to retain. The same study identified the surrounds to the Brandon Stadium itself as having high-medium sensitivity to housing development. The draft Local Plan for Rugby Borough establishes that there are, and seeks to allocate, sufficient sites for these housing uses at locations in keeping with strategic policy priorities.

* www.rugby.gov.uk/downloads/download/272/landscape_sensitivity_study

- 4.8 As neither the current Development Plan policies of Rugby Borough Council nor the emerging Local Plan policies allocate development sites within the Parish for housing or employment, and given the application of Green Belt policy, future land use change within the Parish beyond the inset boundary to Brandon Village (and beyond other exceptions to inappropriate development contained in paragraphs 89 and 90 of the NPPF) will principally concern any future redevelopment of previously developed sites (PDL) within the Parish. As mentioned in Paragraph 5.4, the two sites within the Parish where emerging redevelopment proposals are anticipated in the near future are Brandon Stadium and Oakdale Nursery. The owners of the Brandon Stadium site carried out a second public consultation in October 2017 showing the demolition of the existing stadium and residential development spreading across the whole site including land that has historically been towards the frontage to the A428. The exhibition was silent on the loss of the Stadium as a valued and historic sports facility. More recently, representatives of the promoters of Oakdale Nurseries presented plans to the Parish Council for the residential redevelopment of that site.

5. **VISION STATEMENT FOR THE PARISH OF BRANDON AND BRETTFORD**

The Parish of Brandon & Bretford will aspire to retain, protect and enhance all of the special qualities which make it a desirable place to live, whilst promoting and supporting change where that brings benefits to the residents of the Parish and to the wider community. The Neighbourhood Plan aims to respect and add to the distinctive qualities and character of the Parish for current and future generations to enjoy.

Objectives

- | | |
|-------------------------|--|
| Housing | To support new residential development in locations that meet the social needs of the Parish and surrounding village communities without compromising the character, nature and setting of the built and natural environment within which the new housing is to be located. |
| Economy | To support new businesses to locate within the Parish in appropriate and sustainable locations, and the retention and acceptable expansion of existing businesses. |
| Conservation | To protect and enhance the heritage assets within the Parish and to support initiatives which would make a positive contribution to improving the quality of the built and natural environment. |
| Environment | To support the protection and improvement of the built and natural environment, together with the needs of local residents and businesses. |
| Local Facilities | To support the establishment of new community facilities, local services, open spaces and recreation within the Parish in locations that are sustainable and accessible to local residents and wherever possible to protect and maintain existing community facilities, open spaces and recreation and leisure facilities. |

Note: This Plan should be read as a whole as several or all Policies may apply to any development proposal within the Neighbourhood Area.

6. **HOUSING**

Strategic Objective

To support new residential development in locations that meet the social needs of the Parish and surrounding village communities without compromising the character, nature and setting of the built and natural environment within which the new housing is to be located.

- 6.1 Opportunities to develop new housing within the Parish are limited by the application of Green Belt policies except within the inset boundary of the village of Brandon. Brandon Village is defined in the Rugby Core Strategy as a “Local Needs Settlement” (in the draft Rugby Local Plan “Rural Village”) where development will be permitted within the existing boundary only. In Bretford Village, which is washed over by Green Belt, only limited infilling within the built up area is supported by national policy.
- 6.2 Where new residential development is proposed, and would accord to National Planning policies and to Development Plan policies, it should be of an appropriate scale, density and mix to suit the needs of the Neighbourhood Area without compromising its distinctive character or setting. Support will be given to developments that are aimed at meeting the future housing needs of residents within the Parish, particularly the needs of the elderly and also affordable housing to enable younger residents wanting to stay in the Parish.

POLICY H1 BRANDON – GREEN BELT INSET AREA

Within the Green Belt Inset Area for Brandon Village (see Map 3) proposals for new dwellings will be supported in principle, subject to appropriate regard being demonstrated for the Conservation Area that covers much of the village.

Explanation

- 6.3 Opportunities for new housing within the Brandon village inset boundary are limited by the lack of suitable sites and that much of the area that is inset within the Green Belt is a designated Conservation Area. However where development proposals do come forward which would respect the character of the area and be found acceptable in terms of design, highway impact and protecting existing residential amenity then support will be given to expanding the housing stock in the village.

Map 3: Brandon Inset Area and Conservation Area



Source: Rugby Borough Council

POLICY H2 DEVELOPMENT OF BROWNFIELD LAND

Proposals for the redevelopment of brownfield land to create new homes will be supported in principle subject to the following:

- a. The land is not of high environmental value;
- b. The residential use is compatible with the surrounding uses and means of access;
- c. The impact, including visual impact, on the surrounding landscape and properties is assessed as acceptable;
- d. No loss or displacement, complete or partial, of employment, community, sport or recreation uses unless it can be demonstrated;
 - i) That the existing uses are no longer viable or required in accordance with other Development Plan policies and
 - ii) On the basis of an objective assessment, the benefits of residential development outweigh the loss of its current use;
- e. The site in its setting and its appearance are enhanced; and
- f. There is no conflict with national Green Belt policy where applicable.

Explanation

- 6.4 One of the Core Planning Principles in the NPPF is to encourage the effective use of land by reusing land that has been previously developed (Brownfield Land) provided that it is not of high environmental value. The definition of

previously developed land is set out in the Glossary to the NPPF to which this Policy relates.

- 6.5 Policy GP3 of the draft Rugby Borough Local Plan says, with some caveats, that “The Council will support the redevelopment of previously developed land where proposals are compliant with the policies within this Local Plan”.

POLICY H3 AFFORDABLE HOUSING

The provision of affordable housing will be supported as infill within the Brandon Inset Area, as part of any redevelopment of brownfield land and as a rural exception site adjacent to the village boundaries of Brandon and Bretford, all in accordance with the relevant adopted policies in the Development Plan and the NPPF.

Explanation

- 6.6 Policy H3 reflects the relatively high price of open market housing within the Parish which prevents some existing households from being able to stay local to the Parish, family or community links.
- 6.7 Should residential development form part of the future redevelopment of previously developed land, the provision of affordable housing will be required to accord with the relevant policies for affordable housing as contained in the adopted Development Plan and the emerging local plan.
- 6.8 Elsewhere within the Parish, opportunities for residential development are unlikely to be of a scale that would require the provision of affordable housing. In order to meet existing and future needs within the Parish for affordable housing, Policy H3 supports the delivery of affordable housing on suitable rural exception sites for occupation by people originating from or with a clear connection with the Parish of Brandon and Bretford. Rural exception sites will be required to demonstrate a proven local housing need in order to be considered acceptable.

POLICY H4 SPECIALIST ACCOMMODATION FOR THE ELDERLY AND INFIRM

The provision of specialist accommodation for the elderly and infirm will be supported subject to compliance with other policies in the Development Plan.

When assessing the suitability of sites and/or proposals for the development of specialist housing such as, but not restricted to, residential care homes, extra care housing and continuing care retirement communities, regard will be paid to the following:

- a. Establishing that the accommodation proposed will meet identified specialist housing requirements; and**

- b. Establishing that suitable access will be available to essential services including public transport, shops and health care.**

Explanation

- 6.9 The Development Plan supports the provision of accommodation and/or facilities to encourage and assist the elderly (or otherwise infirm or disabled) population to remain within the Parish for the whole of their lives where that is their wish.
- 6.10 The Strategic Housing Market Area Study in 2013 (SHMA) that was commissioned by Coventry City Council and Warwickshire District Councils to inform the emerging Local Plans across the Housing Market Area (HMA) identified the significant increase in the proportions of people 85 and over within the District of Rugby to 2031 (122% increase) and also in the people aged over 55 (51% increase).
- 6.11 The NPPF (paragraph 50) advocates the need to plan for different groups in society based upon current and future demographic trends including the elderly and the infirm. The emerging Rugby Local Plan highlights the shift in the demand for specialist housing which the SHMA suggests will continue including the provision of Extra Care housing. Evidence provided by Warwickshire County Council's officers responsible for Extra Care Housing within the County, estimated that there is a current need for 79 units within the area including Brandon and Bretford Parish.
- 6.12 Whilst opportunities to provide new housing development within the Parish are limited, where development proposals do come forward for residential development, support will be given to the provision of specialist housing such as Extra Care accommodation, subject to it being demonstrated that the accommodation will satisfy a proven need and to conformity with other policies in the Plan.

POLICY H5 USE OF GARDEN LAND WITHIN THE INSET BOUNDARY OF BRANDON VILLAGE

Within the Inset Boundary of Brandon Village any proposals involving the loss of garden land will be required to demonstrate that:

- a. The character of the local area is retained or enhanced;**
- b. The established settlement pattern is respected;**
- c. The amenities of the host dwelling and neighbouring properties are respected;**
- d. The visual impact on the host dwelling and neighbouring properties is addressed; and**
- e. Appropriate arrangements for vehicular access and off road parking are achieved.**

Explanation

- 6.13 Development within the garden of existing properties can harm the character of the area and adversely affect the amenities of neighbouring residents. Unless adequate land area is available to ensure that harm isn't caused to the character of the area, that the development would not be detrimental to the amenities of neighbouring dwellings and that adequate access and off-road parking can be satisfactorily achieved, then development will be resisted.

7. ECONOMY

Strategic Objective

To support new businesses to locate within the Parish in appropriate and sustainable locations, and the retention and acceptable expansion of existing businesses.

- 7.1 Policies aimed at boosting the economy of an area are one of the three dimensions to achieving sustainable development. Neighbouring towns and cities such as Coventry, Rugby, Leamington Spa and Nuneaton, as well as settlements further afield, will continue to provide important sources of employment for residents living in the Parish of Brandon and Bretford. However it is an important objective of this Plan to allow existing businesses within the Parish to flourish and expand where this would not be detrimental to the character of the area and to other policies in this Plan and to encourage the development of new businesses in suitable locations.

POLICY E1 PROTECTING AND SUPPORTING EXISTING BUSINESSES

Proposals for the change of use or the redevelopment of land or premises that are in employment use or which were last used for employment will be supported where it can be demonstrated that the following requirements are met:

- a. The site is no longer capable of meeting employment needs or where there is no reasonable prospect of the site being used or re-used for employment uses;**
- b. The development of the site for a non-employment use will facilitate the relocation of an existing business onto a more suitable site; and**
- c. The site is inappropriate for employment uses because of unacceptable environmental issues which will be removed if the site is redeveloped for a more sustainable use.**

The limited expansion of existing commercial buildings within the Plan area will be supported providing there is no conflict with other policies in the Plan or with adopted development plan policies and policies within the NPPF.

Explanation

- 7.2 The Parish of Brandon and Bretford contains a number of important businesses providing local employment opportunities across a variety of sectors including engineering, offices, leisure and tourism as well as agriculture. It is important that these existing businesses are both protected and are allowed to expand in an acceptable and sustainable fashion subject to no conflict with other policies in this Plan and with policies in the adopted development plan and in the NPPF.

POLICY E2 FOSTERING NEW EMPLOYMENT OPPORTUNITIES

Proposals for the development of new employment opportunities will be supported where they:

- a. Are appropriate in type and scale for their rural location and in keeping with national Green Belt policy where applicable;**
- b. Have appropriate regard for the character of the area and the amenities of neighbours;**
- c. Do not, without mitigation, result in the loss of green infrastructure; and**
- d. Include appropriate arrangements for vehicular access and off road parking.**

Explanation

- 7.3 Due to its proximity to large urban areas such as Coventry, Rugby, Leamington Spa and Nuneaton, the Parish is seen as very much a commuter location. As well as protecting and supporting existing businesses through Policy E1, it is important to encourage opportunities for new employment to develop within the Plan area, in acceptable locations where there would be no harm to residential amenity or to the character of the area.

8. CONSERVATION OF BUILT & NATURAL HERITAGE

Strategic Objective

To protect and enhance the heritage assets within the Parish and to support initiatives which would make a positive contribution to improving the quality of the built and natural environment.

- 8.1 The survey of residents and businesses within the Neighbourhood Plan area found that a large number of people value the rich and varied heritage assets within the Parish. The continued protection and enhancement of these treasured heritage assets is an important aim for the local community and therefore this Plan places great weight on policies aimed at achieving this objective.
- 8.2 The Heritage assets within the Parish include the many statutorily listed buildings and features such as the ice house in Brandon Little Wood, Brandon viaduct, Bretford Bridge and the scheduled ancient monument of Brandon Castle. There is also the Conservation Area which encompasses much of the built up area of Brandon as well as the important environmental and ecological sites such as Brandon Marshes, Brandon Wood and Brandon Little Wood. Alongside the importance of preserving these important heritage assets, any opportunities to enhance them for the benefit of future generations will be supported.

POLICY CON 1 BUILT HERITAGE ASSETS

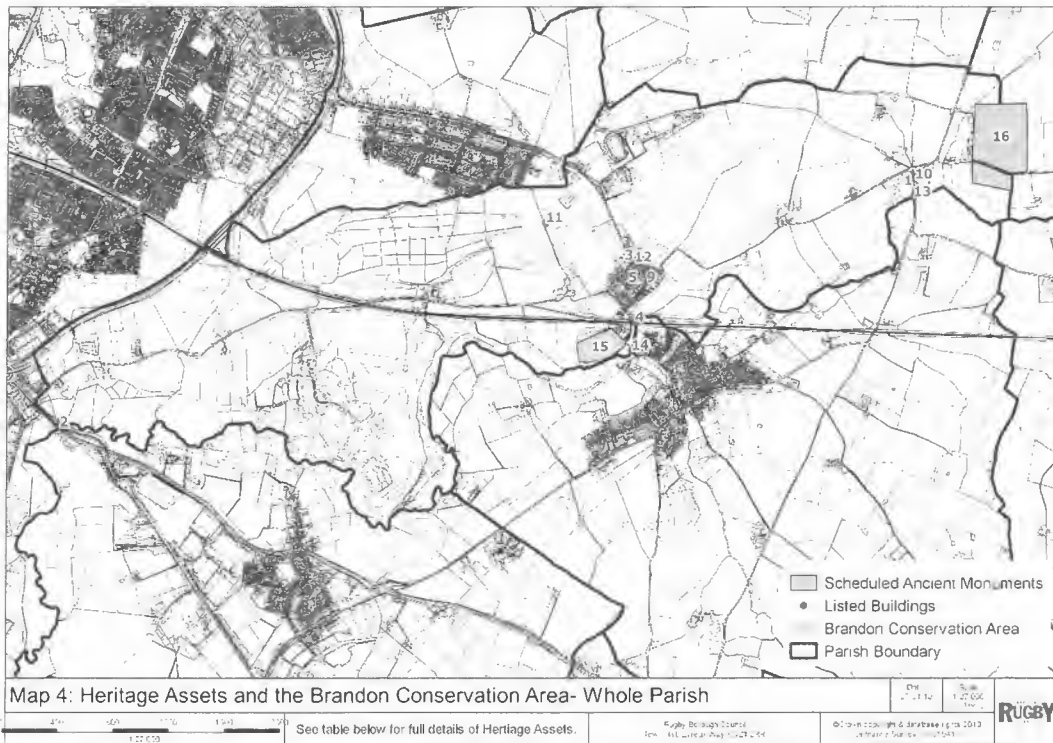
Development proposals that affect a heritage asset and its setting, whether designated or not, or the Brandon Conservation Area must demonstrate appropriate regard for the asset and its significance and, within the Conservation Area, for the character and appearance of the area (see adjacent Maps 4 and 5).

Proposals that would contribute appropriately to the restoration or enhancement of a heritage asset or the Brandon Conservation Area will be supported in principle.

Explanation

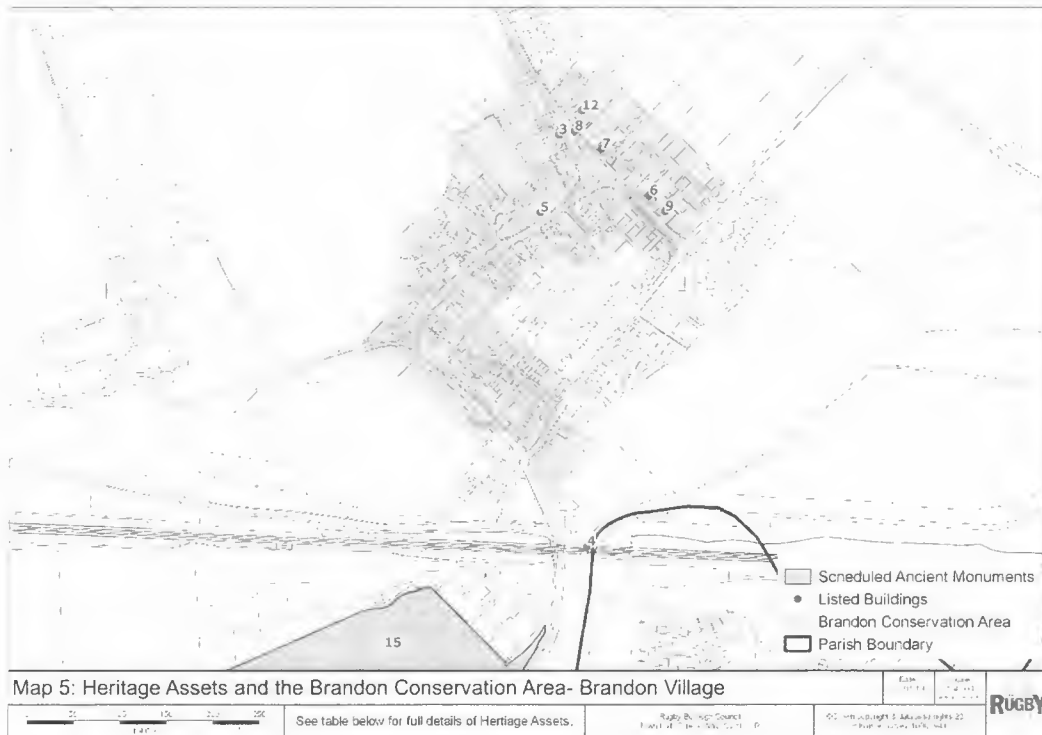
- 8.3 The built heritage within the Neighbourhood Plan area is a vital part of the history and character of the Parish and should be protected against inappropriate development. Alongside the protection of heritage assets, opportunities to enhance the character and setting of listed buildings and structures, scheduled ancient monuments and the Conservation Area will be fully supported providing there is no adverse conflict with other policies in the Plan.

Map 4: Heritage Assets and the Brandon Conservation Area- Whole Parish



Source: Historic England

Map 5: Heritage Assets and the Brandon Conservation Area- Brandon Village



Source: Historic England

Schedule of Listed Buildings and Scheduled Ancient Monuments

Number on Map	Building/Monument	Status
Listed Buildings		
1	Ivy Cottage Farmhouse	Grade 2
2	Ryton Bridge	Grade 2
3	Woodcroft	Grade 2
4	Avon Viaduct	Grade 2
5	Thatched Cottage	Grade 2
6	Goodrest Cottage	Grade 2
7	Tiddly Bank Cottage	Grade 2
8	K6 Telephone Kiosk	Grade 2
9	Ivy House Farmhouse	Grade 2
10	Oakdene	Grade 2
11	Ice House in Brandon Little Woods	Grade 2
12	The Hollies	Grade 2
13	Bretford Bridge	Grade 2
14	Wolston Bridge	Grade 2
Scheduled Ancient Monuments		
15	Brandon Castle	Scheduled
16	Barrow Cemetery	Scheduled



Everton Manor. The oldest house in the parish built 1550 (not listed).



Goodrest Cottage and Ivy House Farm



The Hollies

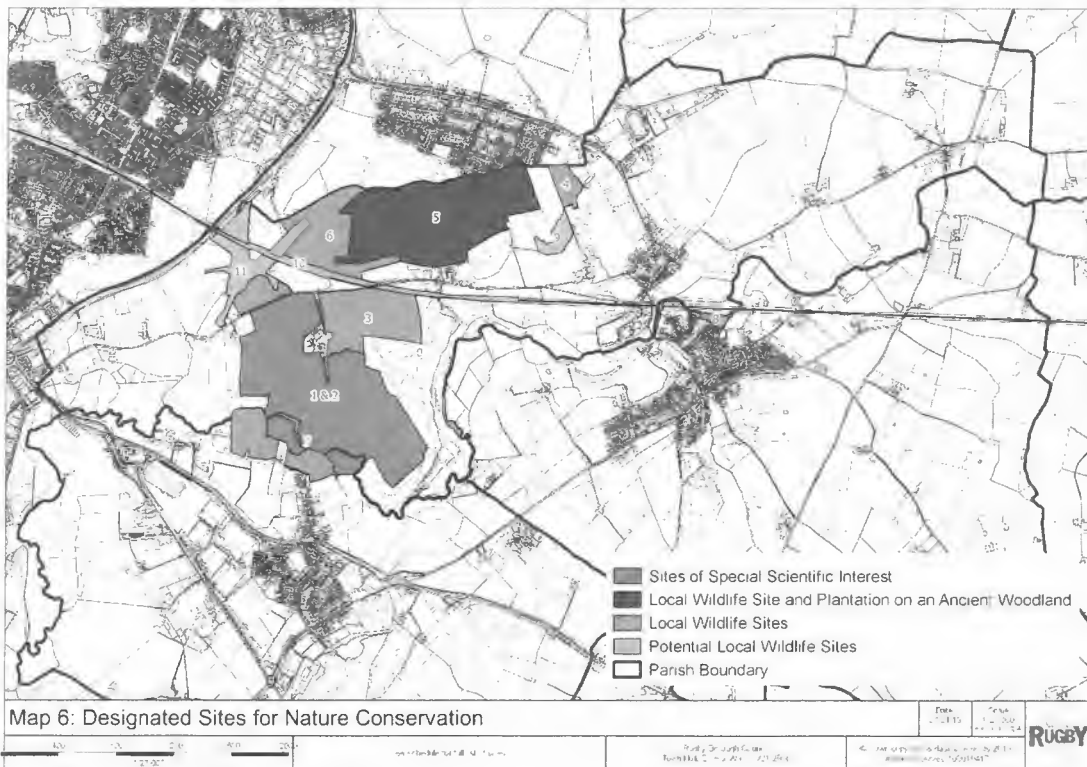
POLICY CON 2 ENVIRONMENTAL HERITAGE ASSETS

Development proposals must have appropriate regard for any potential impact, directly or indirectly, on the Sites of Special Scientific Interest (SSSI), the designated Local Wildlife Sites (LWS) and the Plantation on an Ancient Woodland Site (PAWS) shown on the adjacent Map 5.

Explanation

- 8.4 Within the Neighbourhood Plan area, there is presently one SSSI (Brandon Marsh) and four LWS's; Brandon Wood, which is a Plantation On An Ancient Woodland Site (PAWS), Brandon Little Wood, Grassland adjacent to Brandon Wood and the Brandon Marsh Sheep Field. In addition The River Avon and its Tributaries LWS falls partly within the Parish and forms its southern boundary. Other sites within the Parish including the old sand quarry (cycle track) adjacent to Brandon Little Wood and parts of the verges along Brandon Lane have been identified as potential Local Wildlife Sites and should any such sites be formally designated as a LWS then they would be subject to Policy CON 2.

Map 6: Designated Sites for Nature Conservation in Brandon & Bretford



Source: Warwickshire County Council & Natural England

Schedule of Designated Sites for Nature Conservation

Sites of Special Scientific Interest

1. Brandon Marsh SSSI
2. Ryton & Brandon Gravel Pits SSSI

Local Wildlife Sites (LWS)

3. Brandon Marsh Sheep Field
4. Brandon Little Wood
5. Brandon Wood (also a Plantation on an Ancient Woodland)
6. Grassland adjacent to Brandon Wood
7. River Avon & Tributaries
8. Sally's Hole (Wolston)

Potential LWS

9. Bike Track
10. Railway Verge
11. The Pools, Black Spinney & Long Spinney

9. THE BUILT AND NATURAL ENVIRONMENT

Strategic Objective

To support the protection and improvement of the built and natural environment, together with the needs of local residents and businesses.

- 9.1 Paragraph 17 of the NPPF sets out the core planning principles that should underpin planning decisions and plan making. The first bullet point states that planning should:-
“be genuinely plan-led, empowering local people to shape their surroundings, with succinct local and neighbourhood plans setting out a positive vision for the future of the area”.
- 9.2 This Plan aims to not only protect the valued heritage assets that exist within the Parish but also to help shape new development where it comes forward to ensure that it both respects and protects local character and residential amenity as well as maximising opportunities to enhance the overall quality of life within the Parish.

POLICY BNE 1 RESPECTING LOCAL CHARACTER

All development proposals must demonstrate how local character has been respected in the evolution of the design in accordance with the following criteria:

- a. Be compatible with the main characteristics of the area by respecting the settlement pattern, building styles and materials;
- b. Mature trees which contribute positively to the character of the area and the natural environment will be protected and retained in the proposed new development;
- c. Preserving or enhancing heritage assets;
- d. Be of a density that reflects the character of the surrounding development and landscape;
- e. Have regard to the impact on tranquillity, including dark skies; and
- f. Be supported by appropriate archaeological survey and mitigation strategy where applicable.

Explanation

- 9.3 It is important that any new development that comes forward reflects and respects local character and, wherever possible, makes a positive contribution to the built and natural environment within the Neighbourhood Plan area.

POLICY BNE 2 DESIGN PRINCIPLES

The following design principles should be taken into account for all new built development within the Neighbourhood Parish area:

- a. The detailed design of buildings, including the materials to be used, should respond to local character and history and reflect the identity of local surroundings while not preventing or discouraging appropriate innovation;
- b. Be visually attractive in terms of good architecture and landscaping;
- c. The use of solar panels should ensure they are not visually intrusive from public view points especially within the Conservation Area or within proximity to listed buildings;
- d. Ensure that adequate arrangements are made to accommodate surface water and foul drainage;
- e. All new development proposals should demonstrate how the design has been influenced by the need to reduce crime and the fear of crime; and
- f. In order to preserve the rural character of the villages and the surrounding countryside, lighting should be kept to a minimum commensurate with safety considerations.

Explanation

- 9.4 The villages of Brandon and Bretford have evolved through time and this evolution which has defined the settlement pattern, the different types and designs of properties and their history, has created the local character that many residents value. It is important, therefore, to ensure that new development makes a positive contribution to the character and setting within which the development comes forward so that the continued evolution of the Parish leaves a legacy for future generations to enjoy.
- 9.5 In particular, new development should reflect the importance that trees and green spaces make to the character of the two villages. Innovation of design and design layout is welcomed providing it makes a positive contribution in terms of its quality, the use of materials and that it incorporates high levels of landscaping to soften the overall impact of the buildings.
- 9.6 The Government places great importance on creating safe and accessible environments where crime and the fear of crime do not undermine the quality of life or social cohesion (para 58 of the NPPF). The recommendations of the Warwickshire Constabulary and the extent to which the "Secured by Design Scheme" has been taken into account will be given great weight in the consideration of development proposals.
- 9.7 The Parish exhibits a predominantly rural character beyond the built up limits of the City of Coventry and an important element of this rural character is the relatively low level of light pollution even within the villages of Brandon and Bretford. Paragraph 125 of the NPPF advocates limiting the level of light pollution in new development.

POLICY BNE 3 REPLACEMENT DWELLINGS

Proposals for replacement dwellings must reflect the character and setting of the locality, especially with regard to locations within the Conservation Area or within the setting of listed buildings. Proposals should also ensure that the amenity of occupiers of adjoining residential properties are respected.

The replacement of dwellings within the Green Belt will be permitted provided that:

- a. The form and bulk of the new dwelling is not materially larger than that of the original dwelling or that which could be achieved as permitted development;
- b. The new dwelling is not more intrusive in the landscape than that which it replaces;
- c. The new dwelling has substantially the same siting as the existing;
- d. The existing dwelling to be demolished is not of historic merit; and
- e. The proposals accord with the Design Principles in Policy BNE 2.

Explanation

- 9.8 The sensitive renewal and replacement of the existing housing stock is supported providing the replacement dwellings respect the character of the setting, are of good quality design and the use of materials and protect the amenities of occupiers of adjoining dwellings.

POLICY BNE 4 PROTECTION OF NATURAL FEATURES

Development should protect and, where possible, enhance the natural environment including important landscapes, ecologically rich sites, wildlife corridors, areas of woodland and other natural features that contribute positively to the character of the Parish. Where applicable proposals should seek to contribute to the aims of the Princethorpe Woodlands Living Landscape Area.

All new development should look to incorporate a net increase in natural features within the site wherever possible and use appropriate native tree and hedgerow species as well as nectar rich plants as part of the landscaping scheme. Specific enhancements for relevant wildlife species of conservation concern will be expected to be provided within the built form.

Proposals should have regard to the Warwickshire, Coventry and Solihull Biodiversity Action Plan which aims to create, enhance and restore habitats for biodiversity.

New developments or redevelopments of previously developed land will need to demonstrate that existing habitats are safeguarded and provide the appropriate extent of buffer in order to do so. Development proposals

shall respect and maintain the physical and visual separation of Brandon and Binley Woods to protect their individual character and identity.

Support will be given to the opening up of existing culverts to provide more open space/green infrastructure for greater amenity and biodiversity; and the creation of new culverts should be kept to a minimum.



Brandon Wood

Explanation

- 9.10 The rural parts of the Parish contain a rich diversity of habitat especially within the areas of woodland and along wildlife corridors in proximity to the River Avon and adjacent to roads and railway lines. It is important to ensure that these important natural features are protected and, where possible, enhanced.
- 9.11 Development that contains measures to enhance or restore a feature(s) that would create new habitat together with a programme of future maintenance will be encouraged subject to no conflict with other policies in this Plan.
- 9.12 The Parish sits within the 'Princethorpe Woodlands Living Landscape'* which has been identified as an important landscape due to the cluster of ancient woodlands present and the opportunity to enhance landscape connectivity for wildlife by creating and enhancing woodland, hedgerows and other associated habitats such as ponds and grassland rides and verges. The area has an active partnership that has received funding to achieve these aims. Any development should seek to help achieve the vision for the 'Princethorpe Woodlands Living Landscape'.

*Source <http://www.warwickshirewildlifetrust.org.uk/princethorpewoodlands>

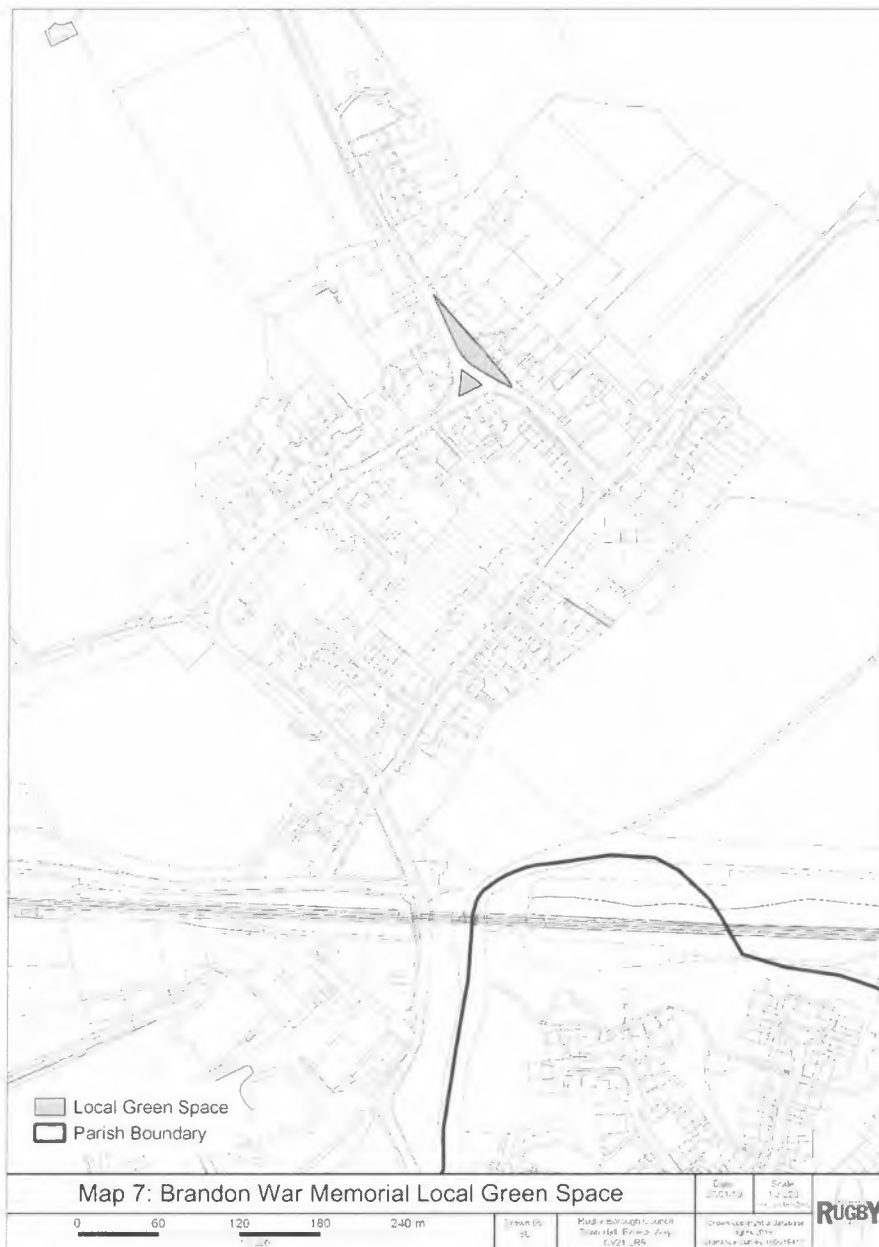
- 9.13 The Parish supports a number of wildlife species of particular conservation concern. These are identified within the Warwickshire, Coventry and Solihull Biodiversity Action Plan* and include hedgehogs, otter, bats and birds which are present in the Parish. Features to help these species are easy to incorporate into new developments in the form of hedgehog fencing (leaving a small hole into the garden), native species hedgerows, grassy margins, bird and bat boxes. New developments will be expected to incorporate these features.

*Source <http://www.warwickshirewildlifetrust.org.uk/LBAP>

POLICY BNE 5 LOCAL GREEN SPACE

Brandon War Memorial Green as shown on adjacent Map 7 is designated as a Local Green Space.

Map 7: Brandon War Memorial Local Green Space



Explanation

- 9.14 Paragraph 76 of the NPPF enabled Local Communities to designate land as Local Green Space to safeguard these important green spaces from development other than in very special circumstances. The Brandon War Memorial Green satisfies the NPPF criteria for Local Green Space designation as it “is in reasonably close proximity to the community it serves”, “is local in character and is not an extensive tract of land”. It is also “demonstrably special to the local community and holds a particular local significance” because historically it has been the centre and focal point for the village of Brandon. It is the site of Brandon and Bretford War Memorial, memorial trees, benches and a red original BT telephone box. It is the setting for Tiddly Bank Cottage (16th century thatched cottage) and is within close proximity of the old school house, coach house, Victorian terraced cottages, shop and bakery.

POLICY BNE 6 VALUED RURAL CHARACTER AND SETTING

Development proposals should identify, assess and address their impact on the valued rural character and setting of the Neighbourhood Area. Rural aspects should include, but are not limited to, inter-visibility and ready access between the built and countryside areas, visual and actual separation between distinct settlements, respect for the patterns and scale of rural settlements and respect for the distinct features of the landscape and the settings of heritage assets.

Explanation

- 9.15 The character of the Parish is derived from numerous factors including its geography, natural features such as the River Avon, Brandon Wood and Brandon Little Wood and the other ecologically important sites together with the settlement pattern that has evolved over time. All of these factors make up the unique character of the Parish and it is important that new development is fully respectful of these defining elements.



The footbridge over the River Avon and meadow beside the River Avon



Open views from Brandon Village Field

- 9.16 In addition to the protection afforded to statutorily designated heritage assets such as Local Wildlife Sites, the SSSI and Brandon Conservation Area, open spaces and vistas play a crucial role in defining the character of areas within the Parish which have their own identity and character.
- 9.17 This is particularly the case for the cluster of housing known locally as “Brandon Hill” where properties fronting Rugby Road and along Speedway Lane adjacent to Brandon Stadium form a discrete residential enclave that is separated from the much larger village of Binley Woods by New Close Wood to the north of Rugby Road (A428) and by the open grounds of Binley Woods School and the adjoining gardens of residential properties to the south of the A428. To the south of “Brandon Hill” open fields to the north and south of the A428 together with the open areas within the now vacant Oakdale Nursery to the south of the A428, form an important visual separation between “Brandon Hill” and Brandon village. To protect the unique and distinct character of “Brandon” Hill it is important that key open spaces and vistas are protected to ensure that any new development will integrate with the existing built form and its setting.



Open views and vistas around Brandon Hill

- 9.18 Elsewhere within the Parish, good quality open space makes an important contribution to the character of the area and to the quality of life and personal well-being of residents and visitors. Both within and surrounding the main built up areas within the Parish, verges, fields and other valued vistas help both soften the built up areas and bring the feeling of countryside into the villages of Brandon and Bretford and it is important that these valued open spaces and vistas are protected from new development.

10. LOCAL FACILITIES

Strategic Objective

To support the establishment of new community facilities, local services, open spaces and recreation within the Parish in locations that are sustainable and accessible to local residents and wherever possible to protect and maintain existing community facilities, open spaces and recreation and leisure facilities.

Explanation

- 10.1 The proximity of the main settlements of Brandon and Bretford to the City of Coventry, the town of Rugby and to the larger rural settlements of Binley Woods and Wolston means that within the Neighbourhood Area local facilities are limited.
- 10.2 Appendix 7 provides a list of all the local facilities, clubs, recreation areas and organisations present within the Neighbourhood area as at Sep 2017.
- 10.3 It is important to both protect and where possible improve the existing local facilities within the Neighbourhood Area and to support the acceptable establishment of new community facilities, local services, open spaces and recreational opportunities in sustainable locations.

POLICY LF 1 COMMUNITY FACILITIES

Proposals which assure the retention, enhancement or improvement of valued community facilities will be supported; if the relocation of a facility is involved the new location must be equally well located for the community it serves. Proposals that would diminish or remove a community facility will be required to demonstrate that the facility is no longer needed or viable and that there is no realistic prospect of viability being improved with either the current or other community use(s). New community facilities will in principle be supported.

The current community facilities are: the public house and village hall in Bretford, and in Brandon the public house, the Brandon Club, the Brandon Hall Hotel and the Brandon Stadium (presently closed).

Explanation

- 10.4 The survey of residents and businesses showed that the existing local facilities within Brandon and Bretford were valued and hence it is important to ensure that they are protected and, where possible, allowed to be enhanced to improve their community value.
- 10.5 The surveys also showed support for the establishment of new facilities and services for the local community in locations that are accessible and acceptable. Whilst opportunities to establish viable new facilities will be limited by Green Belt Policies and the need to ensure compatibility with other policies in the Plan,

if these considerations can be satisfied then support should be given to the principle of establishing new facilities to benefit the local community.

POLICY LF 2 SAFE WALKING, CYCLING & HORSE RIDING

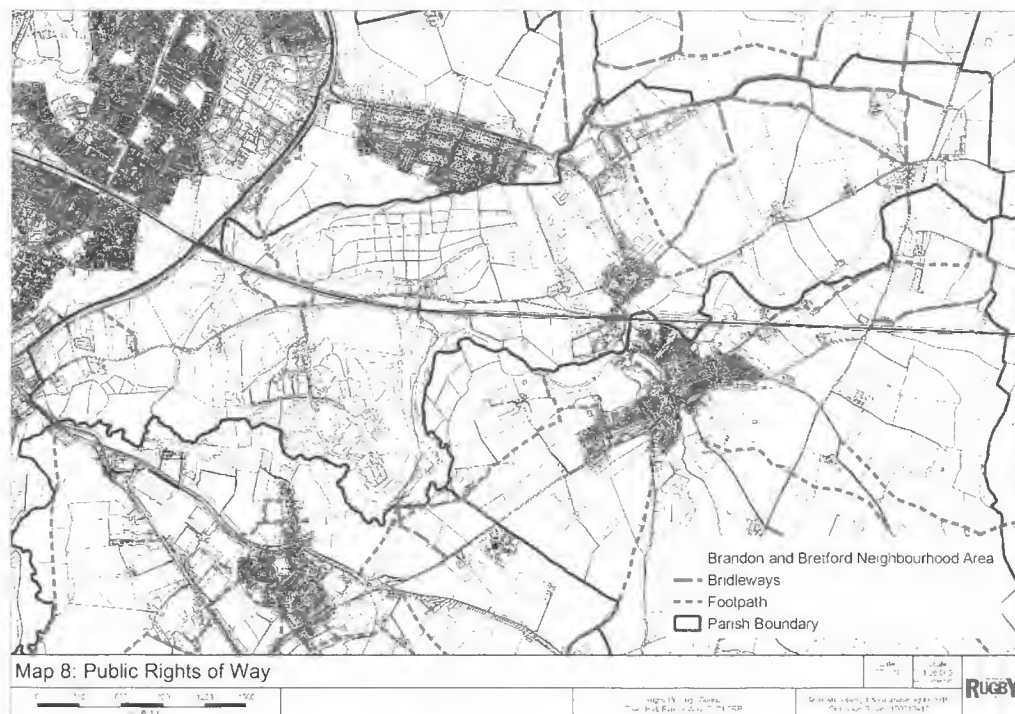
Wherever possible, new development should incorporate provisions for improving the usability, connectivity and attractiveness of footpaths, cycle ways and bridleways to further encourage their use.

Horse riding within the Neighbourhood Area is an activity that is commonplace and is enjoyed by the local community and by visitors. Opportunities to reduce the level of conflict with traffic passing through the Neighbourhood Area will be supported.

Explanation

- 10.6 The Neighbourhood Area contains many opportunities for people to enjoy the surrounding countryside and access facilities both within and adjoining the Parish via the network of footpaths and bridleways which also provide links with roads and associated footpaths. The use of these footpaths and bridleways make an important contribution to the health, wellbeing and enjoyment of residents and visitors as well as acting as wildlife corridors and habitats. New development should not adversely impact upon this important amenity either physically or visually.

Map 8: Rights Of Way In The Area Of Brandon and Bretford



Source: Warwickshire County Council