25 January 2017

CABINET – 6 FEBRUARY 2017

A meeting of Cabinet will be held at 5.30 pm on Monday 6 February 2017 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 9 January 2017.

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 31 January 2017).

Item for decision not within a specific portfolio

5. Draft Corporate Strategy 2017-2020.

Growth and Investment Portfolio

6. World Rugby Hall of Fame Visitor Attraction – Update and Charging.

Corporate Resources Portfolio

7. Draft General Fund Revenue and Capital Budgets 2017/18 and Medium Term Financial Plan 2017-2020.

8. Finance and Performance Monitoring 2016/17 Quarter 3.

9. Local Government Finance Act 1992 – Council Tax on empty properties.

Communities and Homes Portfolio

10. Allocations Policy Review.

11. Coventry and Warwickshire Sustainability and Transformation Plan (STP).

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

12. Treasury Management Strategy 2017/18 – 2019/2020.

13. Approval of National Non-Domestic Rates Return – NNDR1 2017/18.

14. 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 items on the grounds that they involve the likely disclosure of information defined in paragraphs 2 and 3 of Schedule 12A of the Act."

PART 2 – EXEMPT INFORMATION

Growth and Investment Portfolio

Nothing to report to this meeting.

Corporate Resources Portfolio

1. Terms and Conditions of Employment and Pay Benchmarking.

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 2016/17 – 7) are attached.

Membership of Cabinet:

Councillors Stokes (Chairman), Leigh Hunt, Mrs Parker, Ms Robbins and Mrs Timms.

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, Senior Democratic Services Officer (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 MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	6 February 2017
Report Title	Draft Corporate Strategy 2017-20
Portfolio	All
Ward Relevance	All
Prior Consultation	Cabinet, Leaders' Steering Group 23rd January 2017, Joint Overview and Scrutiny Committee 31st January 2017
Contact Officer	Adam Norburn, Executive Director, 01788 533430
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	No
Corporate Priorities	All
Statutory/Policy Background	Need to adopt a new Corporate Strategy for the next four years.
Summary	The current Corporate Strategy is due to expire in March 2017. A new Corporate Strategy is required to set the Council's direction over the next four year timeframe through to the end of the decade.
Risk Management Implications	There are no risk management implications arising from this report.
Financial Implications	There are no direct financial implications arising from this report, but the Council's Medium Term Financial Strategy will be directly informed by the priorities identified in the final Strategy.

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	1. Submit the proposed draft Corporate Strategy 2017-20 to a six week public consultation period. 2. Do not submit the proposed draft Corporate Strategy 2017-20 to a six week public consultation period. 3. Choose not to adopt a new Corporate Strategy.
Recommendation	IT BE RECOMMENDED TO COUNCIL THAT - 1. the proposed draft Corporate Strategy 2017-20 attached at Appendix 1 be submitted to a six week public consultation period; and 2. the results of the public consultation be reflected in the final draft of the Corporate Strategy 2017-20 to be brought to Full Council for approval in April 2017.
Reasons for Recommendation	To identify the focus of the Council's priorities and objectives over the next four year planning period.

Agenda No 5

Cabinet – 6 February 2017

Draft Corporate Strategy 2017-20

Report of the Leader of the Council

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT -

1. the proposed draft Corporate Strategy 2017-20 attached at Appendix 1 be submitted to a six week public consultation period; and
2. the results of the public consultation be reflected in the final draft of the Corporate Strategy 2017-20 to be brought to Full Council for approval in April 2017.

1. Background

1.1 The current Corporate Strategy covered the period 2012-16 with a view to ending its useful life at the end of the current financial year. With this in mind it is now necessary to adopt a new Corporate Strategy to set the Council's priorities and direction of travel through to the end of the decade.

2. Proposed Draft Strategy

2.1 The draft Strategy attached at Appendix 1 is intended to be an easily accessible and understandable document, which will allow the Council to be responsive to changing circumstances and customer needs. It is not prescriptive in style and seeks to be reasonably concise and succinct whilst explaining the thinking behind why certain priorities and objectives are being proposed.

2.2 It suggests a new strapline for the Council:

"Proud of our past, fit for the future"

to help us focus on providing facilities and growth that give us a strong and prosperous future while preserving and celebrating the best of our past.

It proposes three overarching corporate priorities:

- **Provide excellent, value for money services and sustainable growth**
- **Achieve financial self-sufficiency by 2020**
- **Enable our residents to live healthy, independent lives**

and suggests a number of key priorities and objectives across each of the Council's service areas (known as portfolios), including the rationale behind them and proposals of what we will do to achieve them.

3. Approach

3.1 The draft Corporate Strategy 2017-20 has been developed by the Cabinet working in conjunction with the Council's Senior Management Team. An initial workshop was used to identify the key issues facing the Council and the refreshed focus that Cabinet wanted to pursue going forward. A number of individual sessions were then held between Portfolio Holders and their counterpart Head of Service to refine these ideas and create the narrative included within the draft Strategy.

3.2 Some of the priorities have come from known service issues and key customer demand facing the Council while others have arisen from key performance data and the output from scrutiny reviews and working parties.

3.3 More recently opposition Group Leaders have been involved in the discussions and given the opportunity to make suggestions to be included in the final draft. By the time of this meeting, it is also intended that members of the Joint Scrutiny Committee meeting held on 31st January will have also had chance to challenge and ask questions about the content of the draft Strategy.

4. Consultation

4.1 It is proposed that the draft Corporate Strategy will be submitted to a six week public consultation period to be commenced as soon as possible after this meeting with a view to incorporating any comments and changes into a final report and final draft of the Strategy to be submitted for approval to the April Council meeting. This means that the new Corporate Strategy 2017-20 would realistically be in place for the start of the new municipal year.

5. Implementation

5.1 A Corporate Strategy is by definition a high level document that sets the Council's strategic direction of travel and key corporate priorities going forward. It does not seek to duplicate the content of other Council strategies but it will be used as the basis for more detailed service planning and action plans. These lower level actions plans will be developed together with relevant performance measures and indicators and monitored within the Council's performance management system.

Name of Meeting: Cabinet

Date Of Meeting: 6 February 2017

Subject Matter: Draft Corporate Strategy 2017-20

Originating Department: Executive Director

LIST OF BACKGROUND PAPERS

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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* There are no background papers relating to this item.

(*Delete if not applicable)

Appendix 1

Rugby Borough Council

Corporate Strategy

2017 – 2020

Proud of our past, fit for the future

Appendix 1

Proud of our past, fit for the future

This corporate strategy sets out our priorities for the next four years. It doesn't list all of the council's activity or everything that we will do, but describes our primary aims for our residents and businesses.

In putting together this strategy we have reviewed our "clean, green and safe" strapline. We will always want to make sure that our borough is clean, green and safe, but with continued success in the regional and national "in bloom" competitions and a generally reducing crime rate, for example, we have found that this strapline no longer helps us to set our priorities.

A key issue facing our residents and businesses is undoubtedly around facilitating physical and economic growth, while protecting the essential characteristics that make our borough our home. Our new strapline, "proud of our past, fit for the future," will help us to focus on providing facilities and growth that give us a strong and prosperous future while preserving and celebrating the best of our past.

Under this new strapline we have set three overarching corporate priorities that reflect the need for public services to change and reform. These are:

- Provide excellent, value for money services and sustainable growth
- Achieve financial self-sufficiency by 2020
- Enable our residents to live healthy, independent lives

We have also created four new portfolios, each with their own priorities. These portfolios, allied with the "can do" approach of our workforce, will allow us to deliver services that will help us be proud of our past, and fit for the future. These are set out in the following pages.

Councillor Michael Stokes

Leader

Adam Norburn

Executive Director

Appendix 1

Portfolio: Corporate resources

In order to give our residents best value for money it is essential that we maximise the income we receive for appropriate services. This means looking at the way we deliver our services and how they are paid for.

We will:

Optimise income and identify new revenue opportunities

To do this we will:

- Develop a commercial approach to delivering existing and new services, where appropriate
- Support other organisations to deliver common objectives
- Review our services and the fees and charges we set

It is important that the council is up to date with modern ways of working. To this end we will ensure that we are a forward looking council that provides for today and plans for the future. This will include working more closely with our neighbouring authorities and forming partnerships with other organisations. Our workforce is a very important part of the future of the council and it is essential that they are trained with the right skills to match the challenges and risks we will face.

We will:

Prioritise use of resources to meet changing customer needs and demands

To do this we will:

- Redesign and implement new models of service delivery
- Plan and deliver services in partnership with other public sector organisations
- Develop our workforce so staff have the right skills in the right roles to meet changing needs and demands
- Manage the council’s strategic and operational risks

In this electronic age our digital technology must be fit for purpose. Savings have already been made from its use and we will continue to invest in new technology as it is developed and our workforce will be continually trained to use all new methods of working. We will ensure that our financial planning is robust and continues to provide our residents with the best services at an affordable price. We will manage our assets efficiently and ensure they are utilised to bring maximum benefit for all.

We will:

Ensure that the council works efficiently and effectively

To do this we will:

- Use technology that will allow us to adopt modern working methods
- Review our services to increase efficiency, remove waste and provide better value for money
- Keep tight control of our finances with robust management of our assets and procurement
- Optimise the use of our land and assets

Portfolio: Communities and homes

Everyone wants to have a home that is appropriate for their requirements and that they can afford. There is great demand for housing of all types and tenures, so we will work with partners and the private sector to identify needs and to provide housing that is fit now and for the future.

We will:

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

To do this we will:

- Prevent homelessness by helping residents access high-quality housing
- Make the best use of existing homes, whatever their tenure
- Help residents to live independently

As more services from all organisations are delivered online, it is important that they are fit for purpose and that people are able to use them. We will recognise that people have different needs and will want to use different technologies to engage with us. We will use technology, where appropriate, to help people to live independently.

We will:

Deliver digitally-enabled services that residents can access

To do this we will:

- Develop a digital strategy that works for the council and for our residents
- Engage with partner organisations and the voluntary and community sector to help people to use online services
- Act with our partners to ensure that people have access to digital services

We will work with our partners to understand our communities and the issues that they face. We will encourage our community associations and other local organisations to identify strategic local facilities and groups so as to build a picture of each of our local areas. Everybody will have the opportunity to take part in local community action to support individuals or to improve their area, should they so wish, and will know how their contribution fits into the bigger picture.

We will:

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

To do this we will:

- Recognise the differing needs of our communities by engaging with the voluntary and community sector
- Encourage residents to actively engage with existing local groups, or to start one, by working with our partners
- Identify local issues and engage with a range of organisations to help residents identify solutions that work for them

Appendix 1

Portfolio: Environment and public realm

Many of our residents and communities derive significant health, wellbeing and recreational benefits from the varied green spaces we have. The local communities that surround or use them are interested in being actively involved in caring for their green spaces and we have seen the number of volunteers helping to care for those open spaces increase each year. It is important that we continue to promote creative ways of using and managing our green spaces.

We will:

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

To do this we will:

- Look after our green spaces and create new ones in quality new developments
- Manage and use green spaces creatively to benefit biodiversity, health and wellbeing
- Involve our residents in caring for their green spaces

Waste and cleansing services are the services that are universally delivered to every household, and also incur some of the largest costs. It is essential to promote and ensure responsible waste management practices to our residents and businesses. The costs of disposing or reprocessing waste continue to increase so we need to look for creative opportunities to ensure that the producers of waste are accountable for it.

We will:

Continue to improve the efficiency of our waste and recycling services

To do this we will:

- Maximise the amount of household waste that is reprocessed
- Ensure individuals and businesses dispose of waste appropriately
- Improve the quality of the contents of the dry recycling bins

It is important that people who come to the borough to live, work, relax or visit are kept as safe as is possible. Many of our services are targeted towards protecting public safety through effective and proportionate regulation. We will seek to provide assurance to our citizens by working with all other partners that have a role in ensuring public protection.

We will:

Protect the public

To do this will:

- Ensure public protection services are focused on keeping people safe and healthy
- Use our role in relevant partnerships to protect the public from harm
- Help our residents feel safer and reduce risk through our regulatory services

Appendix 1

Portfolio: Growth and investment

Rugby has a long tradition of embracing and planning for growth and as a result has a strong and prosperous local economy and low levels of unemployment. Ensuring enough land is made available for the development of the homes and workplaces needed for our growing population is fundamental to delivering this corporate strategy. Enabling investment through development in tandem with expanded social infrastructure gives the best opportunity for sustained economic growth.

We will:

Promote sustainable growth and economic prosperity

To do this we will:

- Adopt an ambitious Local Plan
- Conserve and enhance the natural & built environment embracing Rugby's proud heritage and history
- Deliver strategic investment sites across the borough

At a local level Rugby has a strong and growing visitor economy but the long term potential is huge. Rugby has a long and proud heritage that is not widely enough known. A key aim of this strategy is for The Rugby Town to become internationally recognised as the birthplace of the game and, from this catalyst, the town centre will become a regionally recognised cultural and visitor hub increasingly valued and visited by our local communities.

We will:

Promote and grow Rugby's visitor economy with our partners

To do this we will:

- Open the World Rugby Hall of Fame visitor attraction, enhancing the reputation of The Rugby Town
- Celebrate our cultural and artistic heritage through Rugby Art Gallery and Museum, The BENN Hall and events and festivals
- Support Rugby town centre as a visitor destination for leisure, retail and cultural activities

The Council strongly believes in providing high quality facilities and opportunities for people to live active and healthy lives. The substantial investment made in the Queens Diamond Jubilee Centre is complemented by the ongoing resources invested locally in promoting healthy and active lifestyles. Whilst activities and facilities will be available to all sectors of the population, the Council will continue to place particular emphasis on the provision of sporting and cultural activities for young people.

We will:

Encourage healthy and active lifestyles to improve wellbeing within the borough

To do this we will:

- Promote access to sporting facilities across the borough, making sure that the Queens Diamond Jubilee Centre plays a key role in delivering leisure and recreation activities
- Organise physical activity and sporting activities for young people, with our partners
- Support wellbeing and combat social isolation through sport, heritage and the arts

Agenda No 6

AGENDA MANAGEMENT SHEET

Report Title:	World Rugby Hall of Fame Visitor Attraction – Update and Charging
Name of Committee:	Cabinet
Date:	6th February 2017
Report Director:	Head of Growth and Investment
Portfolio:	Growth and Investment
Ward Relevance:	All
Prior Consultation:	Leader's steering group
Contact Officer:	Rob Back
Public or Private:	Public
Report subject to Call-In:	No
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies): **COUNCIL** - Actively seek revenue-generating opportunities and apply charges in order to meet our costs. **BUSINESS** - Establish an environment that will attract new businesses into the borough and enable existing businesses to flourish.
Statutory / Policy Background:	N/A
Summary:	The World Rugby Hall of Fame Visitor Attraction opened on 18th November 2016. The purpose of this report is to update Members on operation of the

	attraction to date, progress in arranging sponsorship and to propose charging for entry to the attraction from April 2017.
Financial Implications:	Financial implications relate to the potential for income generation which vary between £60,000 and £180,000 dependent on the option chosen. These are in section 4.5 of this report.
Risk Management Implications:	There are no risk management implications for this report
Environmental Implications:	There are no environmental implications for this report
Legal Implications:	There are no legal implications for this report
Equality and Diversity:	There are no equality and diversity implications for this report
Options:	Option 1: Approve the proposal to charge for entry to the Hall of Fame from April 2017. Risks: Reduce visits to the attraction. Benefits: Increased income generation. Option 2: Do not approve the proposal to charge for entry to the Hall of Fame from April 2017. Risks: Failure to generate income and failure to effectively promote the attraction. Benefits: Likely increase in visitor numbers. Option 3: Approve an alternative charging option from those set out in section 4.5 of this report. Risks: Failure to generate income and failure to effectively promote the attraction.

Benefits: Potential increases in visitor numbers and impacts on the town centre economy.

Recommendation:

IT BE RECOMMENDED TO COUNCIL THAT -

(1) the operational performance of the Hall of Fame to date and the position on sponsorship be noted.

(2) charging option C (as set out in section 4.5 of this report) to charge for entry to the Hall of Fame from April 2017 be approved; and

(3) an Overview and Scrutiny Committee further considers the current and future operation of the Hall of Fame as described in section 5 of this report.

Reasons for Recommendation:

To enable the generation of income for entry to the Hall of Fame.

Agenda No 6

Cabinet – 6th February 2017

World Rugby Hall of Fame Visitor Attraction – Update and Charging

Report of the Head of Growth and Investment

Recommendation
IT BE RECOMMENDED TO COUNCIL THAT -
(1) the operational performance of the Hall of Fame to date and the position on sponsorship be noted;
(2) charging option C (as set out in section 4.5 of this report) to charge for entry to the Hall of Fame from April 2017 be approved; and
(3) an Overview and Scrutiny Committee further considers the current and future operation of the Hall of Fame as described in section 5 of this report.

1. Introduction and Background

1.1. For many years it has been an aspiration of the Council to build on the town's status as the Birthplace of the Game by having a world class visitor attraction here in the town. In May 2016 Council agreed to the procurement of a four year license from World Rugby to host the World Rugby Hall of Fame visitor attraction on the 1st floor of the Art Gallery and Museum building in the town centre. The attraction formally opened on schedule on the 18th November 2016 and was delivered with only minor variation to the original £1.2 million budget agreed by Council.

1.2 "World Rugby" (formally the International Rugby Board) is the governing body of the game of Rugby Union. World Rugby has the intellectual property rights to the Hall of Fame into which greats of the game are inducted. The attraction is the first physical embodiment of the Hall of Fame. The formal contractual agreement between World Rugby and the Council to operate the Hall of Fame was signed in November 2016.

1.4 The purpose of this report is to update Members on operation of the attraction to date, progress and proposals for sponsorship of the attraction and to propose charging visitor from outside of the Borough for entry to the attraction from April 2017. This report is not intended to provide exhaustive operational detail of the attraction but rather the key information of interest to Council. In addition, any financial details related to operation of the Hall of Fame that could be considered commercially sensitive have been deliberately omitted. Provisions are being made for ongoing performance reporting via RPMS and more detailed reporting via Overview and Scrutiny.

2. Key Updates

2.1 **Opening** – The Hall of Fame opened on Thursday 18th November. The opening day and the first inductions to the new Hall of Fame were hugely successful and created widespread media and public attention. The opening weekend incorporated a range of family activities attracting more than 1000 visitors to the attraction.

2.3 **Visitor Numbers –** Between opening and 22nd January 2017 (excluding the opening event) a total of 5656 people have visited the attraction. These visitors can be broken down as follows:

- 68% of visitors have been residents of Rugby Borough
- 69% of visitors have been adult (27% Children, 4% Senior)
- 2.5% of visitors are international, from 30 different (non-UK) countries
- Thursday and Sunday are the quietest days for the attraction since opening
- There is a steady increase in the number of visits from Coventry residents, school trips and touring rugby clubs, particularly with links to Wasps Rugby Club.
- A simple projection of annual visits based on attendance to date suggest between 30,000 and 40,000 people per year with some allowance for seasonal variation.

Inevitably the period since opening and over the Christmas holidays is not necessarily representative of the longer term and officers are in the progress of more detailed analysis of visitor information for a range of purposes.

2.4 **Art Gallery and Museum Services** – The museum and galleries are now fully open in their revised formats. The new Archaeology Gallery has opened on the 2nd floor balcony of the building and has proved successful and popular. The displays of the social history collections have worked well on the 2nd floor alongside recent exhibitions in the main Art Gallery. Floor One Gallery has also reopened after temporary closure and all have full programmes for the forthcoming year. In Liaison with the Arts Council and in line with the previous decision of Council, officers are now making progress on reviewing the longer term plans for these services and will work with Members to develop and agree these in coming months.

2.5 **Foyer Redesign –** The entrance and foyer to the RAGM building has been dramatically improved. The new Visitor Centre and Gift Shop creates a focus for all visitors to the building. The new café operated by local catering company Chef's Kitchen on the basis of a profit share arrangement is proving successful. Further works will soon be undertaken to the café kitchen to enable a wider offer to customers. Operation of the café will be subject to formal tender later this year to ensure the best offer for visitors and the best value for money for the Council.

2.6 **Retail Sales** – The new gift shop has seen a significant improvement in our ability to display merchandise, an increased sales area and a large range of branded World Rugby Hall of Fame stock. The branded stock is supplied by World Rugby with the Council taking a proportion of all sales. Sales have noticeably improved since opening the new shop though robust detailed analysis of the impacts remain difficult because of the limited period of trading to date and sales from the equivalent period of 2015/16 were boosted due to the World Cup activities. The following key points about retail sales can be made:

- Retail sales during November and December 2016 averaged approximately £3350 per month
- This represents an average 37% increase against 2014 retail sales.
- If retail sales remain steady at current levels then total annual retail income will reach approximately £40,000 – in line with previous projections.
- Sales of World Rugby stock were initially strong but are gradually reducing as a proportion of total sales.
- Conversely sales of our own stock are proportionally increasing
- New bespoke product lines are being developed, these include “The Rugby Town” branded goods and items branded with the Council’s crest in addition to new product lines linked directly to the Art Gallery and Museum.

2.7 **Signage and Branding** - The revised external signage to the building has been implemented to now include iconic World Rugby and Hall of Fame branding. The lamppost banners and temporary pedestrian signage in the town centre will remain in place indefinitely. Wider road and tourism signage is being reviewed with relevant sections of Warwickshire County Council. Updated road signage is expected to be in place in the first half of 2017.

2.8 **Schools Programme -** The Council led education programme has been enthusiastically endorsed by World Rugby and local businesses. School children locally and nationally have the opportunity to visit Rugby and learn about our heritage through a tour of the Hall of Fame and a series of curriculum based workshops covering ball and clothing manufacture and the core values of the game of Rugby. Additional promotion of the programme is being undertaken as, to date, the pre-existing RAGM programmes remain more popular.

2.9 **Corporate Hospitality** – Since the opening of the Hall of Fame the Council has received enquiries and taken one booking for the use of parts of the RAGM building (with access to the Hall of Fame) for corporate hospitality. Given that this booking has come with no direct or bespoke promotion for this function, officers will explore the potential of this offer.

2.10 **Marketing** – Promotional activity related to the Hall of Fame has been extensive across social media platforms since opening; implemented by the Council and World Rugby in partnership. This has coincided effectively with enhanced town centre promotion through the new “The Rugby Town” branding. There has been additional Council led promotional activity focussed locally aiming to increase awareness of the attraction amongst borough residents. Use of advertising at the Leicester Tigers and Wasps grounds has also commenced.

2.11 The next focus for promotion of the attraction relates to the annual 6 Nations Tournament. Covering a geographical area roughly from Nottingham to Oxford and from Bedford to Birmingham there will be printed adverts and targeted social media advertising from until the end of the tournament. The social media campaign will specifically target fans of the game in this geographical area. A full marketing strategy for the attraction is in production in partnership with consultants on behalf of World Rugby. A decision on charging for entry to the attraction is key to finalising this plan.

2.12 Partnerships to pursue marketing and promotional opportunities are progressing well with the Local Enterprise Partnership, Wasps Rugby Club and Rugby School. The attraction and the town are also being promoted at relevant trade shows nationally. Opportunities for cross promotion with town centre stakeholders are also being advanced.

2.13 **Tour Operators –** A package of enhanced visitor packages incorporating heritage tours of the town centre and Rugby School, assisted tours of the attraction and the Webb Ellis Rugby Football Museum have been designed and it is intended to launch these products at the key national trade shows in March. The aim of these tours is to maximise income generation opportunities whilst also promoting the wider town centre as a visitor destination.

3. Sponsorship

3.1 Potential corporate partners for the Hall of Fame who would provide sponsorship funding have to date been pursued through a variety of routes as described below. World Rugby have led discussions with international companies as potential targets for lead (named) sponsor for the attraction. World Rugby remain optimistic about the potential to deliver a lead sponsor though no agreement has yet been reached. Such a sponsor would provide between 50% – 100% of the total license costs of the attraction.

3.2 Officers have now created a sponsorship framework for the attraction that provides opportunities for different tiers of sponsors who may wish to contribute lesser amounts than being sought by World Rugby. Officers, working with the Leader, have focussed on discussions with large scale companies and investors in the Borough. These discussions take time but have not been unsuccessful to date. Written proposals have now been submitted to three large companies with strong local ties who have expressed an interest. These bespoke proposals amount to a total value of £450,000 and include opportunities for sponsorship of sections of the physical attraction and related education and community programmes. To date none of these three most advanced discussions have been concluded. Several other local companies remain possible targets.

3.3 In addition to the sponsorship activities undertaken by the Council and World Rugby the Council has engaged a specialist company to pursue potential sponsors nationally and internationally. Audax Ltd have been engaged on a commission only basis and have made initial approaches to more than 50 companies with whom they have existing contacts. Audax are confident that sponsors can be identified but to date no agreements have been reached.

3.4 As set out in the previous report to Cabinet in November, on the basis of the above activity it is not considered prudent to assume that full sponsorship for the attraction will be forthcoming (though it will still be sought). Budget forecasts assume a conservative total sponsorship income of £200,000 per year. It remains the case that these projections are considered conservative but it has become clear that negotiations such as these are rarely concluded quickly and it should therefore be noted that sponsorship income is now highly unlikely in the financial year 2016/17.

Charging for Entry to the Hall of Fame

4.1 The Council has previously committed to ensure free entry to the Hall of Fame until the end of March 2017. The operation agreement with World Rugby is clear that Council retains the right to charge for entry after this time. World Rugby are of the view that entry to the attraction should be chargeable and that continuous free entry may devalue the Hall of Fame. It is also advisable to charge in order to facilitate coach trips by tour operators. The absence of a charge prevents the operators applying a profit margin to their customers and will reduce the potential of tour operator visits.

4.2 Reports to Council in May 2016 and Cabinet in November 2016 suggested that the approach to charging for entry be reviewed in the light of sponsorship income and visitor numbers when the attraction had opened. The proposals set out below are in this context and has been formed following consultation with the Leader’s Steering Group.

4.3 The Leaders Steering Group have echoed the desire of Councillors voiced in previous meetings to retain free entry to the attraction for residents of Rugby Borough as the attraction has been funded largely by the Borough Council, however the Steering Group have also requested that a range of options be available to Members. The proposed prices set out in Appendix 1 to this report and used within the options summarised below have been developed through analysis of a range of other visitor attractions.

4.4 There is a clear imperative for Cabinet and Council to make a decision on charging for entry to the attraction now. In addition to the obvious financial implications, there are operational and marketing drivers for a decision. For example, it is difficult to have a clear longer term marketing strategy in the absence of clarity on prices and, at present, we cannot take visitor bookings beyond March 2017 because we cannot confirm a price. It is therefore recommended that Members agree an approach to charging now for the entirely to the 2017/18 financial year. Clarity for this time period is considered particularly important in order to effectively market the attraction for tour operators and group bookings.

4.5 The charging options available to Members can be summarised as follows:

a) **Charge all visitors to the Hall of Fame in line with the charging schedule set out in Appendix 1.** This approach has significant financial benefit with an estimated annual income of £180,000. The proportion of Borough residents who visit is likely to decrease and therefore the wider economic benefit to the town centre is likely to decrease.

b) Charge non-Borough residents only in line with the charging schedule set out in Appendix 1. This approach will reduce estimated annual income to approximately £60,000 but is more likely to generate footfall and expenditure into the town centre.

c) Charge non-Borough residents in line with the charging schedule set out in Appendix 1 and charge Borough residents at 50% discount. This approach will reduce estimated annual income to £120,000 whilst seeking to retain an incentive for local visits and therefore providing support for the town centre.

d) Charge all visitors to the Hall of Fame in line with the charging schedule set out in Appendix 1 but allow children (under 16 yrs) free entry to the attraction. This approach would reduce estimated annual income to approximately £130,000 but is likely to reduce the wider economic benefit to the town centre. This approach would however provide a longer term benefit from an educational perspective and would assist in engendering a greater appreciation of the game and local heritage amongst local people.

4.6 It can be seen from the above that there are clear financial implications related to each of these proposals. Previous estimates of ticket income to the attraction have assumed charging for all entrants and revenue projections contained within the Council's Medium Term Financial Plan will have to be updated accordingly. Notwithstanding this, it is considered that the wider economic impacts of the options and the potential to assist the town centre are significant matters for Members to weigh against the financial implications.

4.7 It is recommended that Option C above provides the best balance between income generation and wider economic benefits to the town centre. Option C has the added benefit of allowing a "Membership" approach for local residents which could provide further town centre or leisure discounts and benefits. Should Option C be selected by Members it is proposed that an Overview and Scrutiny process be commenced immediately to determine the best "Membership" based approach.

4.8 A Council decision is sought on how to implement the pricing structure set out in Appendix 1. Following that decision, officers will determine the most effective operational method of implementing whichever charging option is chosen.

5. Governance and Scrutiny

5.1 The operating agreement for the Hall of Fame requires the creation of a management board with representatives of the Council and World Rugby. The first of these meetings will take place in February 2017. In order to ensure effective ongoing Member engagement with the attraction it is proposed to report to an Overview and Scrutiny Committee to assess implementation of the attraction, initial performance and make any recommendations to Cabinet on future development of the attraction (including the potential for a Membership package dependent on the charging option that is selected).

5.2 Regardless of which of the above charging options is selected by Members it is considered that there is a clear role for Overview and Scrutiny in the ongoing operation of the Hall of Fame. The imperative for this decision is clear thought it is clearly difficult making fully informed decisions on the operation of the attraction based on the limited period of operation to date. It is therefore recommended that Overview and Scrutiny maintain a watching brief of the attraction throughout the 2017/18 financial year in order that decisions on charging can be fully reviewed and reconsidered in advance of April 2018.

6. Conclusion

6.1 The World Rugby Hall of Fame has been successfully installed and opened in line with the previous decisions of Council. Operation to date has been successful and in line with expectations. The Council’s experience in, and operation of, the attraction is continuously improving and in order to optimise income generation and provide clarity for marketing activity it is recommended that the charging proposal contained in this report be agreed by Cabinet and recommended to Council.

Name of Meeting:
Cabinet

Date of Meeting:

Subject Matter:

Originating Department:

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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* There are no background papers relating to this item.

(*Delete if not applicable)

Appendix 1

Proposed Admission Pricing Structure

Ticket Type	Admission Cost	Restrictions
Adult	£6.00	
Child*	£3.00	5 -16 years of age
Infant	Free of charge	
Senior Citizens	£5.00	
Student	£5.00	In full time education
Group Bookings 15+	£5.00	
Family Ticket	£15.00	2 Adults + 2 Children

* Children must be accompanied by one paying adult

Agenda No 7

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	6th February 2017
Report Title	Draft General Fund Revenue & Capital Budget 2017/18 and Medium Term Financial Plan 2017-20
Portfolio	All Portfolios
Ward Relevance	All Wards
Prior Consultation	Cabinet 9th January 2017, 28th November 2016 and 31st October 2016
Contact Officer	Mannie Ketley – Head of Corporate Resources and Chief Financial Officer Ext 3416
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	This report relates to all of the Council's priorities.
Financial Implications	As detailed within the 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 & Diversity Implications	There are no Equality and Diversity implications arising from this report. It may be necessary later on in the budget process to carry out Equality Impact Assessments of the implications of any service changes.
Recommendation	(1) The draft General Fund Revenue and Capital Budget position for 2017/18 be considered alongside the Council's 2017-20 Medium Term Financial Plan; (2) Cabinet continues to consider the key decisions detailed within the report and identifies alternative income/savings sources to replace any items that are not to be included within the 2017/18 revenue budgets; and (3) A detailed scheme by scheme review of the items in the Capital Programme be continued in order to rationalise the overall programme in terms of affordability and sustainability.
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.

Agenda No 7

Cabinet – 6th February 2017

Draft General Fund Revenue & Capital Budget 2017/18 and Medium Term Financial Plan 2017-20

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation	
(1)	The draft General Fund Revenue and Capital Budget position for 2017/18 be considered alongside the Council's 2017-20 Medium Term Financial Plan;
(2)	Cabinet continues to considers the key decisions detailed within the report and identifies alternative income/savings sources to replace any items that are not to be included within the 2017/18 revenue budgets; and
(3)	A detailed scheme by scheme review of the items in the Capital Programme be continued in order to rationalise the overall programme in terms of affordability and sustainability.

1. Introduction

This is the fourth 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 31st October 2016, 28th November 2016 and 9th January 2017, and the purpose of this report is to present an updated draft General Fund revenue position (see section 4), a capital position (see section 5) for 2017/18 and onwards, plus an updated Medium Term Financial Plan (see section 5), since the report to Cabinet in January.

This will be Cabinet's final opportunity to consider the draft revenue and capital General Fund budgets prior to final budget setting and council tax determination at Full Council on 28th February 2017.

This report includes eight appendices;

- **Appendix 1** is a summary position for 2017/18 detailing the various changes made to the 2016/17 original budget.
- **Appendix 2** identifies by service the proposed growth items for 2017/18. 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 2017/18.
- **Appendix 4** identifies by service proposed savings items for 2017/18. 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 2017/18 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 detailed capital scheme proposal forms for 2017-20
- **Appendix 7** shows an initial Medium Term Financial Plan 2017-20.
- **Appendix 8** shows the Council's response to the 2017/18 Local Government Finance Settlement consultation

2. Budget Context

2.1. Overview and Context

The 2017/18 draft budget remains in a balanced position, as presented within the budget reports to Cabinet in October, November and January. Primarily due to stronger projections for business rates income in future years, the position forecast across the Medium Term Financial Plan (MTPF) 2017-20 has improved compared to January and now presents reduced budget shortfalls of **£65,000** and **£195,000** in 2018/19 and 2019/20 respectively.

It should be noted that these budget estimates continue to be underpinned by a number of assumptions and also key policy changes, which if not approved will require other savings to be identified. These key decisions are set out for Cabinet's consideration at section 3.1.

2.2. Funding Update

On 15th December 2016, the provisional local government finance settlement for 2017/18 was announced, setting out local government funding levels for the next financial year. Following the release of the provisional settlement, the Council has responded to the settlement consultation issued by DCLG, details of the response are presented in Appendix 8.

The result of the consultation may influence the final figures that are due to be published in the final settlement, which is expected early in February 2017. However, it is not anticipated that there will be any material changes against the provisional amounts. If there are any noteworthy changes announced in advance of this Cabinet meeting, an update will be provided by the Head of Corporate Resources.

As reported to Cabinet in January, the most significant announcement within the settlement for the Council were the fundamental changes to the New Homes Bonus (NHB) scheme. There were two key changes. Firstly, a reduction in the number of years that NHB is allocated for reducing from the current 6-year model to 4 years, with an interim 5-year allocation in 2017/18. As a result of this interim allocation, approximately **£150,000** of one-off additional funding will be received in

2017/18 compared to previous estimates, as it had been assumed in prior budget reports that the funding would drop straight to 4 years.

However, the introduction of a “deadweight” factor was not included in previous budget estimates and means that NHB will not be received for approximately the first 150 homes (0.4% of the taxbase) that are delivered each year. In approximate terms, this factor will result in around £200,000 to be lost cumulatively each year, resulting in a shortfall of **£400,000** in 2018/19 and **£600,000** in 2019/20.

As a consequence of these reforms, Rugby stands to lose approximately **£3.8m** over the remaining three years of the settlement period, compared to the initial scheme design. Despite the transitional 5-year NHB allocation in 2017/18, Rugby will still see a cash reduction of **£550,000** from its allocation compared to 2016/17, equating to **4%** reduction in the Council’s net revenue budget. Furthermore, when coupled with a similar reduction in Revenue Support Grant (RSG) and further reductions in other government grants, Rugby will see a **£1.2m** cash reduction in grant funding in one year, equivalent to a **7.5%** reduction in the net revenue budget.

Therefore, it is recommended the £150,000 interim allocation is transferred to the Budget Stability reserve in 2017/18, to call upon in future years given the shortfall of NHB funding projected in later years.

2.3. Business Rates and Collection Fund

In reference to the business rates, the National Non-Domestic Rates 1 (NNDR1) report also presented to this Cabinet, which effectively sets the business rates income budget for 2017/18. It has been estimated that **£4.490m** of business rates will be retained by the Council in 2017/18, which represents an extra **£270,000** compared to 2016/17. However, compared to estimates presented in the January budget report retained rates for 2017/18 are approximately **£380,000** lower, following the refinement to the Council’s growth and other technical assumptions.

In line with statutory requirements, the Council’s estimated 2016/17 surplus on the Collection Fund is credited to 2017/18 budget. Again in accordance with statutory legislation, the council tax surplus was determined on the 15^{th} of January and the business rates surplus was determined as part of the completion of NNDR1 form.

The estimated surplus on the 2016/17 collection fund has reduced marginally from **£370,000** as presented in January to a final estimate of **£356,000**, which includes of a forecast £115,000 surplus on council tax. It is proposed that the £115,000 council tax surplus is transferred to the Budget Stability reserve, as this is likely to be called upon in future years to offset potential deficits in the collection fund.

2.6. Budget Summary

As a result of all of the changes set out earlier in the report there have been some other minor changes including:

- A revision to the pension cost increases previously reported, resulting in a £35,000 saving compared to January;
- Some of the grants that are received outside the settlement, such as Housing Benefit Administration grant, are marginally less than estimated resulting in an income reduction of approximately £9,000 to the January report;
- a net nil budget adjustment for the Syrian Resettlement Programme, and
- a £4,000 increase in income expected from the leisure centre.

After taking account of all these changes, including the updated recommended contributions to reserves, the Council's positon has declined by approximately £95,000 and therefore is now budgeting for a nil contribution to balances.

3. Draft Portfolio and Corporate Revenue Budgets

The following table shows an overview of the draft revenue budget for 2017/18.

Draft General Fund Revenue Summary 2017/18	2016/17 Revised Budget £	Budget Adjustments £	Salaries and Inflation £	2017/18 Draft Budget £
EXPENDITURE:				
Committed Expenditure:				
Growth and Investment	3,179,430	+191,020	+34,760	3,405,210
Corporate Resources	1,996,560	-444,080	+18,690	1,571,170
Environment and Public Realm	7,356,560	+531,990	+59,310	7,947,860
Communities and Homes	1,094,970	-75,160	+27,450	1,047,260
Executive Director	1,800,380	+34,280	-43,310	1,791,350
Key Decisions		-738,000	0	-738,000
Total Portfolio & Corporate Budgets	**15,427,900**	**-499,950**	**96,900**	**15,024,850**
Less Capital Charge Adjustment	-2,086,740	-304,930	0	-2,391,670
Less Corporate Savings Target	-200,000	0	0	-200,000
Less Pension (IAS 19) Adjustment	-315,880	+105,070	0	-210,810
Net Portfolio & Corporate Budgets	**12,825,280**	**-699,810**	**96,900**	**12,222,370**
Net Cost of Borrowing	670,110	-42,500	0	627,610
Minimum Revenue Provision (MRP)	1,191,580	+283,970	0	1,475,550
Revenue Contribution to Capital Outlay	87,500	0	0	87,500
Contribution to Budget Stability Reserve	0	+263,400	0	263,400
Parish Council Precepts	715,180	+12,250	0	727,430
TOTAL EXPENDITURE	**15,489,650**	**-182,690**	**+96,900**	**15,403,860**
INCOME:				
Revenue Support Grant	-1,098,450	+587,520	0	-510,930
Retained Business Rates (Net of Tariff)	-4,225,800	-269,890	0	-4,495,690
New Homes Bonus Funding	-3,221,280	+549,740	0	-2,671,540
Government Grants	-426,810	+51,460	0	-375,350
Council Tax	-6,746,100	-259,350	0	-7,005,450
Collection Fund Surplus(-)/Deficit	1,364,890	-1,720,790	0	-355,900
Contribution from Reserves	-1,123,550	+1,123,550	0	0
TOTAL INCOME	**-15,477,100**	**62,240**	**0**	**-15,414,860**
VARIANCE ON 2016/17 BUDGET (see Appendix 1)	**12,550**	**-120,450**	**96,900**	**-11,000**
2017/18 Estimated Revenue Implications of the Draft Capital Programme (see Appendix 5)	0	+11,000	0	11,000
OVERALL TOTAL VARIANCE ON 2016/17 BUDGET	**12,550**	**-109,450**	**96,900**	**0**

3.1. Key Decisions

The remaining policy changes that still need Member consideration for the 2017/18 budget are set out below.

Key Decision / Policy Change	£'000
Assumed savings from the review and potential reconfiguration of the waste and recycling service as reported to Cabinet on 3rd October.	-400
Estimated income from charging for entry to the Hall of Fame to non-borough residents *	-250
Additional council tax raised by levying a £5 increase in the Band D compared to a 2% increase	-53
Increase in council tax from changes in policy on empty properties	-35
Total	**-738**

*As per the Council report on 19th May, a conservative level of visitors based on World Rugby's and Mather & Co.'s suggestions have been assumed and that entry for residents of the Borough will be free. Once the attraction opens actual visitor numbers will be used to review the assumptions that have been made at this stage, however the risk of visitor numbers being lower has been factored into the General Fund Balances risk analysis, which would allow sufficient time to review alternative promotion strategies amongst other things.

The following content in this section sets out some of the other significant items that are reflected in the 2017/18 draft budget.

3.2. Fees and Charges Review

Following the completion of this year's Fees and Charges Review, a number of services have amended their charges for 2017/18 and a more robust methodology has been adopted by managers to ensure future costs are fully recovered, wherever possible. The financial implications of any such changes in fees and charges have been reflected in the 2017/18 draft budget.

This exercise will continue to be an on-going process, with Budget Officers working with Financial Services to ensure best value for our residents is maintained whilst also making sure that the fees charged do not rise to a level which negatively impacts on customers of the borough using the service.

3.3. Pay Review

The Council has also reviewed pay across the organisation, following changes in market conditions and experiencing some difficulty in recruiting to key posts, to ensure it has a workforce capable of delivering the organisation's corporate priorities. Alongside this a review of terms and conditions has been conducted and the outcome of this review is presented within its own report for Cabinet to consider elsewhere on this agenda. The financial implications have been built into this draft report.

4. Draft Portfolio Capital Budgets

Appendix 5 shows the draft position for the 2017/18 capital programme and onwards. As can be seen, the total capital programme proposed for 2017/18 (including agreed carry-forward budgets from previous years) is **£3.6m**. Excluding carry-forward requests, this leaves a net **£1.9m** of expenditure to be financed in 2017/18.

The additional revenue financing implications of this draft programme for 2017/18 to 2019/20 upon future years are as follows:

	2018/19 £'000	2019/20 £'000
Additional Minimum Revenue Provision (MRP)	180	119
Additional Interest Costs	49	35
Total	**229**	**154**
Cumulative Effect		**383**

In light of these revenue financing implications, it is important to give consideration to the scale of the Council's capital programme for future years and also to the re-introduction of General Fund revenue contributions towards the financing of capital schemes. **Therefore, it is recommended that the detailed examination of the capital schemes is continued in order to arrive at a capital programme which is affordable and sustainable.** To assist with this review, the detailed capital scheme appraisal proposal forms have been collated at Appendix 6.

The direct revenue implications of the running costs attached to this proposed capital programme are £11,000 for 2017/18 and have been included in the draft revenue budgets shown within this report.

For the 2017/18 draft General Fund revenue budget there is an approximate £250,000 increase in the MRP and net cost of borrowing, which largely results from the additional borrowing undertaken to finance the 2016/17 capital programme as approved by Council in February this year.

5. Medium Term Financial Plan 2017-2020

Appendix 7 shows a forecast position for the next 3 financial years, which has been updated to reflect that changes set-out earlier in the report. As explained at the beginning of this report, primarily due to revised projections for business rates income in future years, the position forecast across the Medium Term Financial Plan (MTPF) 2017-20 has changed slightly compared to January and now presents reduced budget shortfalls of **£384,000** and **£512,000** in 2018/19 and 2019/20 respectively.

As with the draft 2017/18 budget the position across the MTFP 2017-20 continues to be underpinned by a number of key decisions that members will need to consider. Following the approval of the voluntary redundancies by Council in November, the estimated financial implications of these decisions total £0.7 million, £1.2 million and £1.3 million across the three successive years.

The impacts of these key decisions in the MTFP are;

- The financial implications of reconfiguring the waste service, with potential savings of **£800,000** by 2019/20.
- Indicative budgets and income projections for the Hall of Fame, and an assumed annual ticketing income surplus of **£250,000**.
- £5 increases in average band D council tax across the medium term, generating an additional **£160,000** by 2019/20 compared to three years of increases at 2%.

Other assumptions in place across the MTFP are;

- As previously reported, significant reductions in income from the reforms to New Homes Bonus
- On-going reductions in central government funding, with cash reductions of **£1.2m** in 2017/18 from RSG, NHB and other grants.
- An increase in debt financing and repayment costs of approximately **£500,000** over the three-year period.
- Further savings in 2018/19 equating to about **£150,000** from further potential voluntary redundancies and the disestablishment of vacant posts.
- Assumed Digitalisation efficiencies of **£200,000** in 2018/19 and **£250,000** in 2019/20.
- Prudent estimates of **£200,000** from commercialisation in 2019/20.
- Salary budgets amended to reflect 1% pay awards across the MTFP.
- The introduction of an additional waste round in 2019/20 – deferred from 2018/19 partially due to the proposed service reconfiguration and other service efficiencies

There are also significant changes ahead for retained business rates that are not currently captured within the MTFP. By the end of this parliament it is expected that 100% of retained business rates will be implemented. Since the inception of the current scheme 50% retention scheme in 2013/14, through its pro-growth agenda, the Council has benefited significantly from growth in its business rates base. Income from retained rates is estimated to be £5.3m by 2018/19, with **£3.1m** resulting from growth in the borough, compared to the Council's initial £2.2m business rates baseline as determined in 2013/14.

A technical steering group and a number of sub-groups have been established to provide information and expert advice to support the Local Government Association (LGA) and the Department of Communities and Local Government (DCLG) in advising Ministers on the setting up and implementation of this new system. A fundamental system design decision for Ministers to consider will be what proportion of historic growth generated in a local authority area (e.g. £3.1m for Rugby) will be retained after periodic resets of the system and how much will be redistributed nationally. This issue is still being considered but it is anticipated that 50%, or less, of the growth will be retained at the point of 100% retention implementation and at subsequent resets thereafter.

This is a significant financial risk for the Council to consider. Should this aspect of the proposed system be implemented, the Council could lose somewhere in the region of **£1.0m to £2.0m** from its current annual level of business rates income.

Due to the uncertainty around the final design of the 100% implementation scheme and also the timetable for implementation, this retention loss effect has not been factored into the current MTFP, but it is recommended that Councillors note this risk when considering the 2017/18 budget and MTFP 2017-20.

6. Conclusion

The revised draft general fund revenue budget continues to show a balanced position for 2017/18 and whilst budget gaps remain across the MTFP the position has improved compared to January, mainly due to improved forecasts for retained business rates income. However, the significant risk of the loss of a substantial proportion of this growth when 100% retention of business rates is implemented should be noted when considering the current MTFP.

Therefore, it is recommended that increased contributions to General Fund balances and reserves are appropriated in 2017/18, as set out within this report, to allow appropriate reserves and balances to be built and sustained. Such appropriations will assist with mitigating the financial risks associated with the on-going development of the local government finance system.

In-line with this approach, it is therefore also recommended that Cabinet continues to consider the key decisions detailed within the report and identifies alternative income/savings sources to replace any items that are not to be included within the 2017/18 revenue budgets.

Name of Meeting: Cabinet

Date of Meeting: 6th February 2017

Subject Matter: Draft General Fund Revenue and Capital Budget 2017/18

Originating Department: Corporate Resources

LIST OF BACKGROUND PAPERS

Draft General Fund Revenue and Capital Budget 2017/18 – Cabinet 31st October 2016, 28th November 2016 & 9th January 2017

APPENDIX 1

Draft General Fund Revenue Summary 2017/18	2016/17 Original Budget £	In Year Adjustments £	2016/17 Revised Budget £	Corporate Adjustments £	Total Inflation £	Salary Adjustments £	Proposed Growth Items (Appendix 2) £	Proposed Income Adjustments (Appendix 3) £	Savings (Appendix 4) £	2017/18 Draft Budget £
EXPENDITURE:										
Growth & Investment	3,059,770	+119,660	3,179,430	-214,590	0	+34,760	+365,000	+102,260	-61,650	3,405,210
Corporate Resources	2,033,370	-36,810	1,996,560	-432,710	0	+18,690	+76,600	-31,420	-56,550	1,571,170
Environment & Public Realm	7,463,520	-106,960	7,356,560	+528,000	+910	+58,400	+12,500	+2,490	-11,000	7,947,860
Communities & Homes	1,145,030	-50,060	1,094,970	-130,430	+3,020	+24,430	+203,210	-122,950	-24,990	1,047,260
Executive Director's Office	1,782,180	+18,200	1,800,380	+120,700	0	-43,310	0	+0	-86,420	1,791,350
Key Decisions								-53,000	-685,000	-738,000
PORTFOLIO EXPENDITURE	**15,483,870**	**-55,970**	**15,427,900**	**-129,030**	**3,930**	**92,970**	**657,310**	**-102,620**	**-925,610**	**15,024,850**
Less Capital Charge Adjustment	-2,126,560	+39,820	-2,086,740	-304,930	0	0	0	0	0	-2,391,670
Less Corporate Savings Target (including salary voids)	-200,000	0	-200,000	0	0	0	0	0	0	-200,000
Less Pension Adjustment	-344,580	+28,700	-315,880	+105,070	0		0	0	0	-210,810
NET PORTFOLIO EXPENDITURE	**12,812,730**	**+12,550**	**12,825,280**	**-328,890**	**+3,930**	**+92,970**	**+657,310**	**-102,620**	**-925,610**	**12,222,370**
Net Cost of Borrowing	670,110	0	670,110	-42,500	0	0	0	0	0	627,610
Minimum Revenue Provision (MRP)	1,191,580	0	1,191,580	+283,970	0	0	0	0	0	1,475,550
Revenue Contribution to Capital Outlay	87,500	0	87,500	0	0	0	0	0	0	87,500
Contribution to Bugdget Stability Reserve	0	0	0	+263,400	0	0	0	0	0	263,400
TOTAL EXPENDITURE (before Parish Precepts)	**14,761,920**	**+12,550**	**14,774,470**	**+175,980**	**+3,930**	**+92,970**	**+657,310**	**-102,620**	**-925,610**	**14,676,430**
Parish Council Precepts and Council Tax Support	715,180	0	715,180	+12,250	0	0	0	0	0	727,430
TOTAL EXPENDITURE	**15,477,100**	**+12,550**	**15,489,650**	**+188,230**	**+3,930**	**+92,970**	**+657,310**	**-102,620**	**-925,610**	**15,403,860**
INCOME:										
Revenue Support Grant	-1,098,450	0	-1,098,450	+587,520	0	0	0	0	0	-510,930
Retained Business Rates (Net of Tariff)	-4,225,800	0	-4,225,800	-269,890	0	0	0	0	0	-4,495,690
New Homes Bonus Funding	-3,221,280	0	-3,221,280	+549,740	0	0	0	0	0	-2,671,540
Government Grants	-426,810	0	-426,810	+51,460	0	0	0	0	0	-375,350
Council Tax	-6,746,100	0	-6,746,100	-259,350	0	0	0	0	0	-7,005,450
Collection Fund Surplus(-)/Deficit	1,364,890	0	1,364,890	-1,720,790	0	0	0	0	0	-355,900
Contribution from Reserves & Balances	-1,123,550	0	-1,123,550	+1,123,550	0	0	0	0	0	0
TOTAL INCOME	**-15,477,100**	**0**	**-15,477,100**	**+62,240**	**0**	**0**	**0**	**0**	**0**	**-15,414,860**
VARIANCE ON 2016/17 BUDGET	**0**	**+12,550**	**12,550**	**+250,470**	**+3,930**	**+92,970**	**+657,310**	**-102,620**	**-925,610**	**-11,000**
2017/18 Estimated Revenue Implications of the Draft Capital Programme (see Appendix 5)	0	0	0	+11,000	0	0	0	0	0	11,000
OVERALL VARIANCE ON 2016/17 BUDGET	**0**	**+12,550**	**12,550**	**+261,470**	**+3,930**	**+92,970**	**+657,310**	**-102,620**	**-925,610**	**0**

Proposed Growth Items 2017/18			
Portfolio/Service	**Amount (£)**	**Justification:**	**Corresponding savings? Y / N / Partial (Y = Total growth offset)**
Growth & Investment (G&I)			
Economic Development			
Community Infrastructure Levy	200,000	One year budget required to complete the Councils commitment for the Local Plan as outlined at Council in December 2015.	N
Business Development	15,000	A new budget to deliver a business support programme, which will include coaching and workshops within the borough.	N
Town Centre Improvements			
Town Centre Improvements	150,000	Continuation on an annual basis for the re-assignment of the out of town retail business rates for the benefit of the town centre.	N
Sub Total (G&I)	**365,000**		

Corporate Resources (CR)			
General Financial Expenses			
Business Rate Forecasting	5,000	This amount is required for the Business Rate forecasting system, this will enhance the accuracy of the Council's medium term business rates forecasting. It will also provide a more efficient process for the Council and allow officers to focus on more value added activities.	N
West Midlands Combined Authority	25,000	The increase reflects the costs of joining the West Midlands Combined Authority as reported at Special Council on 9th June 2016.	N
Human Resources			
Terms and Conditions Review	23,000	General Fund financial implications of the Terms and Conditions review for 2017/18, as detailed elsewhere on this Cabinet agenda	N
Pay Benchmarking	23,600	General Fund financial implications of the Pay Benchmarking review for 2017/18, as detailed elsewhere on this Cabinet agenda	N
Sub Total (CR)	**76,600**		

Environment & Public Realm (E&PR)			
Regulatory Services			
Funeral Expenses	2,500	More demand for assistance with funerals that are imposed on the service for people without means. This is a statutory service.	N
Environmental Protection Fixed Penalty Notices	10,000	Service expansion due to additional work on environmental crime activities, to be offset with income from work taken on for Harborough District Council for fly tipping as agreed at Cabinet 27th June 2016 see appendix 3.	Y
Sub Total (E&PR)	**12,500**		

Communities & Homes (C&H)			
Customer and Information Services			
Annual Maintenance & Licencing of Meta Compliance Software	2,000	New system maintenance for the new internal Wider Area Network for the benefit of the whole council.	N
Annual Maintenance & Licencing of Refuse Vehicle Route Optimiser Software	36,000	New WebAspex Routemaster Optimiser Software Maintenance, first year revenue maintenance.	Y
Annual Maintenance & Licencing of SportsBooker Room Booking System and Increased EPOS Till Maintenance	2,910	New Booking System to replace the existing TopLevel system. This system will be used for internal room bookings, holiday activity sessions and The Hall of Fame and will be fully funded with savings identified in appendix 4	Y
Annual Maintenance for new HRA Lifeline System	9,360	New Annual maintenance contract agreed, due to new Lifeline Telecare system upgrade in the HRA Control Centre. The annual maintenance was previously paid from HRA budgets, but will now be maintained by RBC Central ITC Services and charged back to the HRA via internal recharges	Y
Housing Options Team			
Rent B&B Temp Accommodation	25,000	Bed & Breakfast costs are expected to increase, due to increased demand on the service, offset with increased Housing Benefit income see appendix 3.	Y
Private Sector Leasing Scheme	31,500	Expansion of the Private Sector Leasing service will result in additional costs. There will be corresponding income to offset this cost see appendix 3.	Y
Payments to Deepmore Road Hostel	3,070	Increased charges to reflect additional payments to HRA for the use of Deepmore Road Hostel for Homeless accommodation. Corresponding income shown on appendix 3.	Y
Housing Strategy & Enabling			
Eastern European Link Worker	22,350	On the 9th January 2017 Cabinet Approved the extension of the Eastern European Link Worker post for 2 years. Savings through the cessation of various schemes will help fund this cost (see appendix 4).	P
HEART Shared Service - Home Environment Assessment Response Team			
Employee & General Running Expenses	54,700	The New HEART Shared Service Scheme is a joint venture with all of the Warwickshire District/Borough Councils and Warwickshire Council . The scheme will facilitate Home adaptations and Improvements to enable the Elderly and Disabled to remain in their existing homes. The scheme expenditure is fully offset with income originating from grant award by Central Government which will be centrally pooled and distributed back to all members of the shared scheme to fund allocated expenses. See appendix 3	Y

Proposed Growth Items 2017/18			
Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
Communities & Homes (C&H) Continued.			
Syrian Resettlement Programme			
Rents	13,200	Public Sector Letting Scheme Property Rents paid to landlords to accommodate Syrian Refugees. The rental expenditure is fully offset with income from Universal Credit on (see Appendix 3), so there is no cost to the Council to facilitate this scheme.	Y
Voids & New Equipment	3,120	Budget to provide furniture and homeware to Private Sector Leased Properties and redecoration budget to ensure property is in good condition when Refugee tenants change address. This expenditure is fully offset (see Appendix 3) by contributions from Warwickshire County Council and Universal Credit Income.	Y
Sub Total (C&H)	**203,210**		

OVERALL TOTALS	**657,310**

Summary Proposed Growth 2016/17	
Total increase where savings or income offset	188,860
Total increase without savings or income offset	468,450
Overall Total	**657,310**

Proposed Income Adjustments 2017/18		
Portfolio/Service	**Amount (£) + = Reduction - = Increase**	**Justification:**
Growth & Investment (G&I)		
Art Gallery and Museum		
Arts Council	+8,430	The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed.
Queen's Diamond Jubilee Centre		
Contract Payment	-38,220	Increase in the management payments as per the contract including CPI element
Sports and Recreation		
Street Sports	+23,480	The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 4)
Family Lifestyles	+108,570	Reduction in income following the expected cessation of the scheme in July 2017, therefore corresponding operating expenditure and salary budgets of £58,750 have been removed (see appendix 2)
Sub Total (G&I)	**102,260**	
Corporate Resources (CR)		
Corporate Property Administration		
Contribution to Running Expenses	+10,490	As the councils utility costs have fallen, the recoverable income budget has been reduced to reflect the amount chargeable to Warwickshire County Council for their share of costs at the Library
Corporate Property Management		
Property Rental	-2,900	The increased income reflects revised leasing charges for corporate land and properties
Housing Benefits Administration		
Universal Credit Support Funding	-39,010	This DWP funding is to reimburse officer time for the clerical process of Universal Credit
Sub Total (CR)	**-31,420**	
Environment & Public Realm (E&PR)		
Crime and Disorder		
Eastern European Project Work	+5,340	Cessation of Grant Funding for this scheme.
Violence	+5,000	Reduction of Police Crime Commisioner Grant
Parks, Recreation Grounds & Open Spaces		
Football Pitches Income	+2,150	Reduction of the income budget from hire of sports pitches based on recent levels of income received.
Regulatory Services		
Environmental Protection	-10,000	Additional work fully reimbursed from Harborough District Council for investigative work being carried out for Fly Tipping (see appendix 2)
Sub Total (E&PR)	**2,490**	
Communities & Homes (C&H)		
Housing Options Team		
Private Sector Leasing Scheme HB Income	-35,100	Private Sector Leasing income from Housing Benefit (see appendix 2)
Reimbursements for Bed & Breakfast	-12,000	Increased income expected from Housing Benefits to offset the increase in temporary accommodation costs (see appendix 2)
Lease Income from Deepmore Road Hostel	-3,070	Additional income from the new contractor managing Deepmore Road Hostel (see appendix 2)
Syrian Resettlement Program Administration Contribution	-4,000	A £4,000 external contribution to the Private Sector Leasing Officer's salary for administering the Syrian Resettlement Programme
HEART Shared Service - Home Environment Assessment Response Team		
HEART Shared Service External Contract Income	-39,700	RBC's budgeted allocation of grant income from centrally pooled HEART shared service grant to offset expenditure of the scheme (See appendix 2)
Contribution from HEART Shared Service Capital Scheme	-15,000	A grant contribution to offset the expenditure of the scheme (See appendix 2)
House Purchase and Improvement Loans		
Insurance and Interest on advances	+2,240	The change reflects the amounts of interest and chargeable interest on loans outstanding

Proposed Income Adjustments 2017/18		
Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
Communities & Homes (C&H) Continued		
Syrian Resettlement Programme		
Private Sector Leasing Scheme Universal Credit Income	-16,320	The corresponding income sourced from Universal Credit using the Private Sector Leasing Scheme to offset rental expenditure paid to landlords to enable RBC to facilitate the Syrian refugee programme accommodation requirement.
Sub Total (C&H)	**-122,950**	

OVERALL TOTALS	**-49,620**

Summary Proposed Income Adjustment 2016/17	
Total reduction in income	+126,380
Total increase in income	-97,560
Net Change To Income	**28,820**

Proposed Savings 2017/18			
Portfolio/Service	**Amount (£)**	**How can these be achieved?**	**Adverse impact on service delivery? Y/N**
Growth & Investment (G&I)			
Art Gallery and Museum			
Arts Council Scheme	-8,430	This funding was used to enhance rooms at the Art Gallery and Museum with installation of spot lights, projectors and staff training. This was one off funding for this scheme and has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 3)	N
Sports and Recreation			
Street Sports	-23,480	This scheme provided informal sports activities for 14 to 25 year olds. The funding for this scheme has now ended, therefore corresponding income and salary expenditure budgets have been removed (see appendix 3)	Y
Family Lifestyles	-21,730	The funding for this scheme is expected to end in July 2017, therefore corresponding operating expenditure and salary budgets of £58,750 have been removed (see appendix 3)	Y
The Benn Hall & Tool Shed Café			
Visitor Centre			
Town Centre CCTV and Management			
External Contractor	-8,010	Saving on external contractor providing CCTV following cabinet report.	N
Sub Total (G&I)	**- 61,650**		

Corporate Resources (CR)			
Corporate Property Administration			
Electricity and Gas	-13,620	Net reduction in usage and tariff costs	N
Resources			
Shared services - training	-17,610	Following a report to Cabinet on 31 October for the restructure of Human Resources the shared service with Nuneaton and Bedworth Borough Council will be terminated and the employee be transferred to a new post within the approved establishment.	N
Housing Benefits Payments			
Housing Benefits	-25,320	Reduction in net cost of Housing Benefit payments following revised forecasts for anticipated costs and subsidy for 2017/18	
Sub Total (CR)	**- 56,550**		

Environment & Public Realm (E&PR)			
Crime and Disorder			
Burglary	-1,000	Reduction of Burglary budget in line with reduction of PCC Grant	N
Personal Anti Social Behaviour	-1,000	Reduction of Personal Anti Social Behaviour budget in line with reduction of PCC Grant	N
CSP 3 year plan	-3,000	Removal of Crime and Safety Prevention 3 year rolling plan as not required until 2020	N
Miscellaneous Highways Services			
Subcontractors- Great Central Way Bridges	-6,000	Efficiency savings for maintaining GCWB due to revised working arrangements with Warwickshire County Council	N
Sub Total (E&PR)	**- 11,000**		

Proposed Savings 2017/18			
Portfolio/Service	**Amount (£)**	**How can these be achieved?**	**Adverse impact on service delivery? Y/N**
Communities & Homes (C&H)			
Customer and Information Services			
Maintenance & Licencing of Figtree Software	-4,230	Insurance software contract has been cancelled, so budget is no longer required, as existing council software systems can be used	N
Maintenance & Licencing of TopLevel Room Booking Software	-4,710	TopLevel System to be replaced with new SportsBooker Room Booking system (see appendix 2)	N
Housing Strategy and Enabling			
Various Housing Strategy Schemes	-14,550	The following schemes have been identified for potential removal and these savings are proposed to be used to fund the Eastern European Worker (see Appendix 2): * £3,000 - Domestic Abuse Payments to WCC * £6,550 - Rural Enabling * £5,000 - Act On Energy Boiler Servicing Grant	Y
Woodside Park			
Council Tax charge for vacant plots	-1,500	The council has to meet the loss of vacant plots, however there has been no spend for three years due to higher than expected occupancy	N
Sub Total (C&H)	**- 24,990**		

Executive Director's Office (EDO)			
Electoral Services			
Borough Elections	-86,420	Removal of budget for 2017/18 only for Borough Elections due to it being a non-election year	N
Sub Total (EDO)	**- 86,420**		

OVERALL TOTALS	**- 240,610**

Summary Proposed Savings Adjustment 2016/17	
Total savings with no adverse impact on service delivery	- 155,530
Total savings with an adverse impact on Service delivery	- 85,080
Overall Total	**- 240,610**

APPENDIX 4

General Fund Capital Programme 2017/18 and Onwards

			Capital							Revenue Implications				
			Gross Expenditure			External Contributions / Earmarked Reserves		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
Head of Service	**Score**	**Portfolio / Scheme Name**	**2017/18**	**2018/19**	**2019/20**	**2017/18**	**Future Years**	**2017/18**	**Future Years**	**2017/18***	**Full Year**	**2017/18***	**Full Year**	**2018/19**
			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												
RC		ICT Refresh Programme - Desktop	65,040	42,040	42,040	0	0	65,040	84,080	0	0	810	1,630	13,010
RC		ICT Refresh Programme - Infrastructure	138,410	148,410	148,410	0	0	138,410	296,820	0	0	1,730	3,460	27,680
RC		Income Management System Upgrade	10,000	0	0	0	0	10,000	0	0	0	130	250	2,000
RC		CSW Superfast Broadband	80,000	0	0	0	0	80,000	0	0	0	1,000	2,000	4,000
RC		Disabled Facilities Grants[2]	492,920	492,920	492,920	492,920	985,840	0	0	0	0	0	0	0
			786,370	683,370	683,370	492,920	985,840	293,450	380,900	0	0	3,670	7,340	46,690
		Environment & Public Realm												
SL		Vehicle Replacement	1,101,170	434,000	434,000	0	0	1,101,170	868,000	0	0	13,760	27,530	157,310
SL		Open Spaces Refurbishments - Whitehall Recreation Ground	489,130	0	0	310,470	0	178,660	0	0	0	2,230	4,470	11,910
SL		Open Spaces Refurbishments - Safety Improvements	50,000	150,000	150,000	0	100,000	50,000	200,000	3,000	6,000	630	1,250	3,330
SL		Open Spaces Refurbishments - Street Furniture	42,820	42,820	42,820	0	0	42,820	85,640	0	0	540	1,070	2,850
SL		Cemetery Infrastructure Work	11,420	11,420	11,420	0	0	11,420	22,840	0	0	140	290	570
SL		Great Central Way Bridge Repairs	160,770	160,770	160,770	0	0	160,770	321,540	8,000	16,000	2,010	4,020	3,220
SL		Purchase of Waste Bins[1]	87,500	87,500	87,500	87,500	175,000	0	0	0	0	0	0	0
			1,942,810	886,510	886,510	397,970	275,000	1,544,840	1,498,020	11,000	22,000	19,310	38,630	179,190
		Corporate Resources												
MK		Corporate Property Enhancement	100,000	100,000	100,000	0	0	100,000	200,000	0	0	1,250	2,500	5,000
			100,000	100,000	100,000	0	0	100,000	200,000	0	0	1,250	2,500	5,000
		Total Draft GF Capital Programme	**2,829,180**	**1,669,880**	**1,669,880**	**890,890**	**1,260,840**	**1,938,290**	**2,078,920**	**11,000**	**22,000**	**24,230**	**48,470**	**230,880**

[1] To be financed via S106 developer contributions / direct revenue contributions.
[2] From 2015/16, Disabled Facilities Grant allocation was amalgamated into the Better Care Fund (BCF) to be provided by the Department of Health. Plans for the use of the fund must be developed by Clinical Commissioning Groups (CCGs) and local authorities and signed off by the local Health and Wellbeing Board. The indicative grant levels for 2017/18 onwards are based on the 2016/17 award and may be subject to revision. From October 2016, the management of the Council's DFG assessments and allocations will be undertaken by the HEART shared services organisation.

* Half year is included

Carry Forward from Previous Years

Head of Service	Note	Portfolio / Scheme Name	Capital: Gross Expenditure 2017/18	Capital: Gross Expenditure 2018/19	Capital: Gross Expenditure 2019/20	Capital: External Contributions 2017/18	Capital: External Contributions Future Years	Capital: Internal Resources 2017/18	Capital: Internal Resources Future Years
			1	2	3	4	5	6	7
			£	£	£	£	£	£	£
RB		**Growth & Investment**							
			0	0	0	0	0	0	0
RC		**Communities & Homes**							
			0	0	0	0	0	0	0
		Environment & Public Realm							
SL		Vehicle Replacement	251,960	0	0	0	0	251,960	
SL		Rainsbrook Cemetery Preparation	197,600	0	0	0	0	197,600	
			449,560	0	0	0	0	449,560	0
		Corporate Resources							
MK		Carbon Management Plan	347,000	0	0	0	0	347,000	
			347,000	0	0	0	0	347,000	0
		Total Carry Forward Proposals	**796,560**	**0**	**0**	**0**	**0**	**796,560**	**0**

	Capital: Gross Expenditure 2017/18	Capital: Gross Expenditure 2018/19	Capital: Gross Expenditure 2019/20	Capital: External Contributions 2017/18	Capital: External Contributions Future Years	Capital: Internal Resources 2017/18	Capital: Internal Resources Future Years	Revenue Implications: Running Costs 2017/18*	Revenue Implications: Running Costs Full Year	Revenue Implications: Estimated Interest costs 2017/18*	Revenue Implications: Estimated Interest costs Full Year	Minimum Revenue Provision 2018/19
Overall Total	3,625,740	1,669,880	1,669,880	890,890	1,260,840	2,734,850	2,078,920	11,000	22,000	24,230	48,470	3,220

General Fund capital receipts projection to end of 2019/20 (utilising capital receipts for short-life assets)

	2016/17	2017/18	2018/19[3]	2019/20
	£	£	£	£
Balance brought forward	2,101,660	1,972,170	1,972,170	2,972,170
Add assumed in year receipts			1,000,000	
Less financing of capital expenditure	-129,490			
Less financing short-life assets				
Balance carried forward	**1,972,170**	**1,972,170**	**2,972,170**	**2,972,170**

[3] The Council's indemnity contribution of £1m to underwrite the Local Authority Mortgage Scheme (LAMS) is scheduled to be returned in September 2018 .

General Fund Draft Capital Programme 2017/18 Onwards - Appraisal Information

Portfolio	**Communities & Homes**	**Communities & Homes**	**Communities & Homes**	**Communities & Homes**
Capital Scheme	**ICT Refresh Programme - Desktop**	**ICT Refresh Programme - Infrastructure**	**CSW Superfast Broadband**	**Disabled Facilities Grants**
Gross Budget Requirement 2017/18 - 2019/20	**£149,120**	**£435,230**	**£80,000**	**£1,478,760**
External Funding	**£0**	**£0**	**£0**	**£1,478,760**
RBC Funding 2017/18 - 2019/20	**£149,120**	**£435,230**	**£80,000**	**£0**
Budget Officer	Raj Chand	Raj Chand	Raj Chand	Raj Chand
Strategic Case: Outline relevant national and local policies and strategies	The IT Desktop provision is made up of the following components: Client devices, such as Laptops, PCs and Terminals; Server services that directly relate to desktop provisioning. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the desktop across all financial years in order that the systems remain secure and fit for purpose. Drivers for updating the desktop provision are: To ensure that the authority is running on fit for purpose equipment; to replace aging equipment before it fails and impacts service delivery; and, in line with PSN requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version. If the authority is retain PSN Code of Connection compliance that IT equipment must be fully supported and updated. Failing to comply would not only mean we are the only authority not to be connected to the PSN but it would leave us open to security breaches and the associated fines that they would incur.	The IT infrastructure provision is made up of the following components: Physical and Virtual Servers; Storage Area Networks; Network Switches and Routers; and Firewalls. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the infrastructure across all financial years in order that the systems remain secure and fit for purpose. Drivers for updating the infrastructure are: To ensure that the authority is running on fit for purpose equipment; To replace aging equipment before it fails and impacts service delivery; and in line with PSN Requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version. If the authority is retain PSN Code of Connection compliance there are no direct alternatives that are financially viable. As part of an ongoing review of Business Continuity, cloud service providers such as Microsoft Azure have been reviewed however they are prohibitively expensive to run full time for all services and they are only suitable for short term disaster recovery use.	Council agreed to match funding of £240,000 in October 2014 to support Broadband UK Phase 2 as part of the government strategy to extend superfast broadband to 95% of UK properties by 2017. 2017/18 is the final year of the delivery programme with £80,000 allocated as part of the funding timeline.	The provision of grants to provide adaptations to the homes of disabled people in the borough. This is a mandatory requirement made by the Amendment by the Regulatory Reform Orders 2002 and 2008 and the Housing Grants and Construction and Regeneration Act 1996. Recommendations for adaptations are made following a home visit by the Occupational Health Therapists with the scheme administered in the borough by HEART service from October 2016
Commercial Case: Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	As outlined in Cabinet report October 2014	
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	The Desktop Virtualisation project will release cost savings of around £5,000 over the traditional PC replacement programme and it will make management and patching of Windows Desktop Operating Systems easier and less time consuming, thus realising practical efficiencies and aiding PCN compliance. ICT desktop has an estimated asset life of five years and therefore minimum revenue provision for the scheme will be £13,010 per annum.	With each successive generation of hardware they become more energy efficient with reduced heat output. Such reductions will directly reduce running costs and support a future refresh of the Town Hall cooling systems to smaller more efficient units. ICT hardware has an estimated asset life of five years and therefore minimum revenue provision for the scheme will be £27,680 per annum.	As outlined in Cabinet report October 2014	Funding levels have been estimated based on the continuation of DFG grant levels in 2016/17 via the Better Care Fund, administered by Warwickshire County Council. Allocations for 2017/18 are not expected until February/March 2017 and estimates will be revised accordingly at this time in light of predicted demand.
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.			As outlined in Cabinet report October 2014	From October 2016, service delivery has been managed by the HEART organisation, a joint service arrangement between Warwickshire County Council and district councils in Warwickshire. The joined up delivery mechanism, with direct working relationships between clinical and delivery partners aims to reduce the number of hand-offs between agencies and reduce the time between assessment and implementation of home adaptations.

Portfolio	**Environment & Public Realm**	**Environment & Public Realm**	**Environment & Public Realm**	**Environment & Public Realm**
Capital Scheme	**Vehicle Replacements**	**Open Spaces Refurbishment - Whitehall Recreation Ground**	**Open Spaces Refurbishment - Safety Improvements**	**Open Spaces Refurbishment - Street Furniture**
Gross Budget Requirement 2017/18 - 2019/20	**£1,969,170**	**£489,130**	**£384,560**	**£148,140**
External Funding	**£0**	**£310,470**	**£100,000**	**£0**
RBC Funding 2017/18 - 2019/20	**£1,969,170**	**£178,660**	**£284,560**	**£148,140**
Budget Officer	Sean Lawson	Sean Lawson	Sean Lawson	Sean Lawson
Strategic Case: Outline relevant national and local policies and strategies	The Vehicle Replacement scheme covers the provision of front line delivery services in procuring new vehicles for the Council's Works Service Unit (WSU) as existing fleet reaches the end of useful economic life. The scheme relates to Council priorities 4 & 5. Enable and sustain an environment in which our residents can take pride and which impresses our visitors. Enable the delivery of excellent VFM services in line with corporate plans. Acquisitions scheduled for 2017/18 include: 4 * refuse freighters ; JCB digger ; Street Sweeper ; and 10 * Vans (various)	Every site refurbishment is undertaken in partnership with the local community. This includes community associations, external funding partners, voluntary agencies and other statutory bodies. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment. Following the completion of the new Queens Diamond Jubilee Leisure Centre in 2012/13 there has been an increased demand for improved facilities on Whitehall Recreation Ground to reflect the modern facilities that the leisure centre now offers. The current facilities are in a poor condition and without investment would need to be removed altogether.	The Council is responsible for 41 play areas and 17 youth facilities along with nearly 300 hectares of green spaces. The most serious health and safety issues have been dealt with through a programme of capital refurbishments in the last few years, but in the current financial climate the council needs to focus on the essential health and safety works. This capital scheme will address sites with the most pressing health and safety issues, and where minimal investment will not extend the life of the capital asset, fully refurbish the play area. The Council has a duty to provide facilities which are safe to use and which comply with the laws governing access to disabled people. Failure to discharge this responsibility will leave the Council liable. bodies. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment.	This scheme provides for the long term permanent street furniture installations throughout Rugby and the surrounding areas. New benches are compliant with Disability Discrimination guidelines (seating height, arm rests etc.). New litter bins have a colour contrast to aid the visually impaired. Replacement street furniture, litter bins, and bus shelters are only considered where refurbishment will not prove economically viable.
Commercial Case: Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Procurement is undertaken in compliance with contract standing orders, utilising established framework agreements where applicable.	All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.	All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	A funding appraisal is undertaken in conjunction with the Council's treasury and leasing advisors to ascertain the optimal source of financing in advance of vehicle acquisition. The appraisal measures the benefits of outright purchase cost, anticipated maintenance costs, residual value, and leasing contracts. Vehicles have an estimated asset life of seven years and therefore minimum revenue provision for the 2017/18 scheme will be £157,310 per annum.	Following an unsuccessful bid to the Heritage Lottery Fund in 2015/16 we do have an agreed action plan of improvements which will be tailored to suit the available budget and also help to identify any suitable external funding grants such at Landfill Tax. The scheme has an anticipated asset life of fifteen years and therefore minimum revenue provision will be £11,910 per annum.	The bid includes anticipated external funding of £100,000 utilising developer contributions (S106 agreements) Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2017/18 programme will be £4,100 per annum.	Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2017/18 programme will be £3,290 per annum.
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.	The existing fleet is monitored to gauge useful economic lives, potential increased maintenance costs and market indications of pricing for replacement vehicles over a medium term horizon.	Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation.	Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation.	

Portfolio	**Environment & Public Realm**	**Environment & Public Realm**	**Environment & Public Realm**	**Corporate Resources**
Capital Scheme	**Cemetery Infrastructure Work**	**Purchase of Waste Bins**	**Great Central Walk Bridges**	**Corporate Property Enhancements**
Gross Budget Requirement 2017/18 - 2019/20/19	**£30,000**	**£262,500**	**£492,390**	**£300,000**
External Funding	**£0**	**£262,500**	**£0**	**£0**
RBC Funding 2017/18 - 2019/20	**£30,000**	**£0**	**£492,390**	**£300,000**
Budget Officer	Sean Lawson	Sean Lawson	Sean Lawson	Mannie Ketley
Strategic Case: Outline relevant national and local policies and strategies	To undertake essential infrastructure replacement including memorial safety in the Borough Council's cemeteries. The Council has a duty of care to all cemetery users in relation to the general condition of footpaths etc. that you would reasonably expect. The Ministry of Justice has also issued guidance to Local Authorities on how to deal with the issue of memorial safety. and we are currently producing our own policy statement.	The Council has a statutory responsibility for the provision of domestic waste collection within the Borough.	The Council has a statutory requirement to undertake structural inspections every six years and general inspections every two years of its Great Central Way Bridge assets. Work has been ongoing since 2009, and prior detailed inspections are showing major structural problems with several bridges on the route that need immediate / mid-term / long term repairs. The Council has a long term commitment for the upkeep of these bridges. As some of these bridges carry main highways into Rugby, the Council cannot risk the possibility of closing bridges due to poor maintenance. The Great Central Way Bridges were re-valued as at 31st March 2016 at £15.9m on the basis of re-instatement costs for insurance purposes.	Corporate Property Enhancements include works undertaken on the Council's non-housing assets consequent to legislative requirements (Fire Safety, Disability Discrimination Act, etc.) and to mitigate current and/or future maintenance requirements and asset devaluation. A refresh of the Council's Asset Management Strategy will occur in 2016/17 and inform options concerning non-housing asset future maintenance. Programmed works for the period include: • Structural works and water proofing at the John Barford Car Park (2017/18) • Roof enhancements at the Town Hall (2018/19)
Commercial Case: Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	The Council will tender for structural works based on the independent reports prepared by invasive engineering surveys to be undertaken in late 2016. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.
Financial Case: Outline the capital and revenue costs / savings over the life span of the project	Cemetery infrastructure works have an anticipated asset life of twenty years and therefore the minimum revenue provision for these works will be £500 per annum.	Purchase of waste bins for new housing developments will be funded via S106 agreements / developer contributions.	In advance of the 2016 survey results an estimated construction budget of £150,000 per annum has been requested for works based on historic data. Budget requirements will be revised in light of survey results and programme scheduling. Once structural works have been undertaken bridge lifespans are estimated at fifty years and therefore minimum revenue provision of £3,820 per annum.	Corporate Property Enhancement works have an anticipated asset life of twenty years and therefore the minimum revenue provision for these works will be £5,000 per annum.
Management Case: Outline the governance, plans, and resources that are in place for successful implementation.			The Council works in partnership with Warwickshire County Council as the highways authority to provide and maintain some of the bridges and will seek to work collaboratively to minimise public inconvenience and optimise value for money.	

MEDIUM TERM FINANCIAL PLAN: GENERAL FUND 2016-20

	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's
BASE BUDGET	**15,477**	**16,152**	**16,316**
PORTFOLIO EXPENDITURE			
Salaries - savings from senior management restructure	-200	0	0
Salaries - savings from other disestablished posts	-100	-60	0
Salaries - savings from voluntary redundancies	-220	0	0
Salaries - pay awards, pension and NI increases and other minor changes to the establishment	241	239	231
Other Anticipated service budget adjustments	422	27	-25
Inflation Provision on non pay budgets RPI/CPI as relevant	5	50	50
Sub total	**15,625**	**16,408**	**16,572**
CORPORATE ITEMS			
Change in net cost of borrowing	-43	18	-53
Change in contribution to Balances	0	0	0
Contribution to Budget Stability Reserve	264	-264	0
Contribution to Business Rates Equalisation Reserve	0	0	0
Change in Minimum Revenue Provision (MRP)	283	123	119
Change in Parish Council Precepts	12	20	20
Potential revenue implications from Capital Programme	11	11	0
Total	**16,152**	**16,316**	**16,658**

INCOME			
Revenue Support Grant	-511	-153	0
Retained Business Rates (50% local share)	-4,496	-4,970	-4,970
Government Grants	-375	-297	-267
Council Tax - from a 2% increase	-7,006	-7,252	-7,549
Collection Fund Surplus(-)/Deficit	-356	0	0
Contribution from Reserves to fund one-off expenditure	0	0	0
New Homes Bonus Funding	-2,670	-2,069	-2,016
TOTAL	**-15,414**	**-14,741**	**-14,802**
BUDGET VARIANCE	**738**	**1,575**	**1,856**

KEY DECISIONS			
Income from Charging for Hall of Fame Entry	-250	-250	-250
Waste Service Reconfiguration	-400	-700	-800
Voluntary Redundancy Savings	0	-100	-100
Additional Council Tax from a £5 increase in the Band D	-53	-106	-159
Increase in Council Tax from changes in policy on empty properties	-35	-35	-35
TOTAL	**-738**	**-1,191**	**-1,344**
BUDGET VARIANCE	**0**	**384**	**512**

COUNCIL TAX ANALYSIS			
Year on year £000's increase in Council Tax needs	221	246	297
Tax Base	35,401	35,959	36,749
Rugby Borough Council's own Band D Tax £	199.33	204.54	209.80
Year on year £'s increase in Band D	5.32	5.21	5.27
Year on year % increase in Band D	2.7%	2.6%	2.6%

Appendix 8

Consultation Response - The provisional 2017-18 local government finance settlement: confirming the offer to councils

Question 1: Do you agree with the methodology of Revenue Support Grant in 2017-18?

Council is very supportive of the principle of the four-year settlement and the additional certainty that is offered by multi-year funding announcements. The allocation of Revenue Support Grant (RSG) is consistent with 2016-17 and within the terms of the multi-year settlement, therefore it could be said that the methodology used is largely reasonable.

However, the Council is of the opinion that the damping adjustments within the methodology continue to be excessive and consequently Rugby is significantly losing-out from damping, effectively paying-in **£583,000**, which is more than 13% of our Formula Funding. In terms of proportion of funding lost due to damping Rugby ranks 17th nationally, however most of those ranked higher do so because of the additional sparsity funding in 2013-14. Although Rugby Borough is classified as significantly rural by the Rural Services Network (RSN) it has not qualified for the additional sparsity funding and therefore, Rugby is disproportionately affected by this adjustment.

The Government has determined the needs of each authority in the funding formulae, and then chosen not to implement those needs assessments. Some form of damping is reasonable, but should be used on a transitional basis, and should not be a permanent feature of the system. Changes in needs assessments should be introduced within 5 years, at the most.

Question 2: Do you think the Government should consider transitional measures to limit the impact of reforms to the New Homes Bonus?

Transitional measures for New Homes Bonus (NHB) are essential to mitigate the significant reductions in funding that many district Councils including Rugby will receive due to these reforms. As a consequence of these reforms, Rugby stands to lose approximately **£3.8m** over the remaining three years of the settlement period. Despite the transitional 5-year NHB allocation in 2017/18, Rugby will still see a cash reduction of **£550,000** from our allocation compared to our 2016/17, equating to **4%** reduction in the Council's net revenue budget. Furthermore, when coupled with a similar reduction in RSG and further reductions in other government grants, Rugby will see a **£1.2m** cash reduction in grant funding in one year, equivalent to a **7.5%** reduction in our net revenue budget.

Moreover, Rugby shares the view with many other district councils that it is not acceptable that it took nine months from the consultation closing to the Government issuing a response. Imposing a baseline of 0.4% is far more drastic than the 0.25% mentioned in the consultation and it is completely unreasonable to introduce this in one hit with one month's notice before budgets are set. As a result of the introduction of this baseline only, around **£200,000** is lost to Rugby cumulatively each year and therefore our allocations for 2018/19 and 2019/20 are approximately **£400,000** and **£600,000** lower respectively compared to the previous scheme design. It is strongly recommended that, as a minimum, the scheme be implemented with the 0.25% deadweight as previously planned.

Taking account of the scale of the reductions faced by the Council and lack of sufficient notice, the Council is firmly of the view that transition funding should be provided. This could be targeted to support authorities such as Rugby Borough Council who are facing substantial reductions in core funding proportionate to their budgets.

The impact of these changes upon the Government's house building policies and objectives should also be recognised. The New Homes Bonus original aims were to encourage local authorities to grant planning permissions for new housing in return for additional revenue. The difficult planning decisions members face are often tempered by the promise of NHB funding to provide enhanced services and amenities for residents. Without the same level of reward there is a danger of a divorce between local growth and local funding.

Question 3: Do you agree with the Government's proposal to fund the New Homes Bonus in 2017-18 with £1.16 billion of funding held back from the settlement, on the basis of the methodology described in paragraph 2.5.8?

The Council accepts that this approach is consistent with the funding approach for NHB since its inception. However, Rugby shares the view of many district councils that New Homes Bonus should be separately funded without requiring funds to be held back from the settlement. The top slicing of money does nothing to address the basic issue of the chronic under funding of district councils.

Question 4: Do you agree with the proposal to provide £240 million in 2017-18 from additional savings resulting from New Homes Bonus reforms to authorities with adult social care responsibilities allocated using the Relative Needs Formula?

The Council recognises that social care is critically underfunded on a national scale. However, this proposal represents a distorted shift in local government funding, with district councils seeing unreasonable reductions in core funding, without adequately addressing the funding need for adult social care.

By taking funding from district councils (through the New Homes Bonus changes) it forces them to review discretionary services, either reducing provision or passing additional charges onto our residents. Nationally, this is likely to include many community services that currently provide low level support to older people and other vulnerable groups. So any cuts are likely to have a detrimental impact on social care in the longer term.

The crisis in Social Care funding has become a national issue, which is also having a significant impact on the funding of the NHS, therefore the Government should find additional funding to provide a proper solution for social care rather than raiding New Homes Bonus and simply moving money around Local Government.

Furthermore, it is recommended that the District Councils Network's proposal to allow districts to raise a 2% prevention levy on Council Tax be considered, to reflect the key role that districts play in prevention and demand-reduction for the wider public sector across the country.

Question 5: Do you agree with the Government's proposal to hold back £25 million to fund the business rates safety net in 2017-18, on the basis of the methodology described in paragraph 2.8.2?

Rugby Borough Council does not agree with the proposal. The safety net should be separately funded without requiring funds to be held back from the settlement. The top slicing of money does nothing to address the basic issue of the chronic under funding of district councils

Question 6: Do you agree with the methodology for allocating Transition Grant payments in 2017-18?

No. Rugby Borough Council's RSG funding reductions are greater than average for districts and therefore it is not being appropriately funded by the 2017/18 Transition Grant. Under the proposed settlement, Rugby will continue to receive above average reductions in RSG, however the transition payments have remained the same as last year and then disappear altogether after this.

Referring back to the response to question 1, Rugby is being unfairly treated in that it continues to be disadvantaged by the damping locked into the settlement, however it is not being adequately supported by the transition grant payments.

Transition Grant awarded in 2016/17 aided closing the gap due to the changes in RSG, which were opened by the inclusion of council tax in the RSG calculation. This proposal is inequitable and is requested the Government either change the RSG methodology so that reductions are equal across all authorities, or increase Transition Grant to fully meet the shortfall bought about by the changes in RSG calculation.

Question 7: Do you agree with the Government's proposed approach in paragraph 2.10.1of paying £65 million in 2017-18 to the upper quartile of local authorities based on the super-sparsity indicator?

As set out above in the response to question one, Rugby Borough Council is classified as significantly rural by the RSN and the borough does have super-sparsity within its boundaries. However, under the Government's methodology it does not qualify for funding based on super-sparsity.

Rugby Borough Council is only 9 authorities below the top quartile cut off and our super sparsity is not far behind the cut off. One of the things RSN asked for when the Rural Services Delivery Grant (RSDG) was quadrupled last year was for it to be extended to more authorities, such as Rugby Borough Council, who have sparsity characteristics but don't receive RSDG.

As a significant rural authority the Council does not get the funding that urban authorities with high deprivation enjoy, but it also does not quite qualify for the additional rural funding. Therefore, it is requested that the allocation of RSDG is revisited and expanded across a broader base of authorities as previously proposed by the RSN.

Question 8: Do you have any comments on the impact of the 2017-18 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

No comment

Agenda No 8

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	6th February 2017
Report Title	Finance & Performance Monitoring 2016/17 – Quarter 3
Portfolio	All Portfolios
Ward Relevance	All Wards
Prior Consultation	Finance & Performance Monitoring 2016/17 – Qtr 2 Cabinet 28th November 2016
Reporting Director	Corporate Resources
Contact Officer	Mannie Ketley - Head of Corporate Resources & Chief Financial Officer Tel: (01788) 533416
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	This report relates to the following priority(ies): All Council Priorities
Risk Management Implications	This report is intended to give Cabinet an overview of the Council's spending and performance position for 2016/17 to inform future decision-making.
Financial Implications	As detailed in the main 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.

Recommendation

1) The Council's anticipated financial position for 2016/17 be considered;

2) The Council's performance monitoring information for the third quarter of 2016/17 be considered;

3) A supplementary General Fund revenue budget of £2,000 for 2016/17 only, to be used to aid the Rugby Edible Action Partnership be approved, fully funded by a contribution from Warwickshire County Council;

4) A General Fund revenue budget virement to Corporate Savings of £25,000 from Customer & Business Support Services be approved, resulting from vacant posts;

5) A General Fund revenue budget virement to Corporate Savings of £30,000 from Refuse and Recycling be approved, in relation to savings achieved through reduced charges from October and November 2016;

6) A General Fund revenue budget virement to Corporate Savings of £30,000 from Miscellaneous Highways be approved, due to underspends on the budget for Great Central Way Bridges; and

7) A General Fund revenue budget virement to Corporate Savings of £40,000 from the Executive Director budget be approved, resulting from the management restructure.

IT BE RECOMMENDED TO COUNCIL THAT:

8) The carry forward to 2017/18 of a £268,780 General Fund capital budget for the purchase of vehicles capital scheme be approved;

9) A supplementary HRA capital budget of £75,060 for 2016/17 for the Property Repairs Team vehicles be approved, to be funded from HRA capital balances,

10) The carry forward to 2017/18 of a £10,000 HRA capital budget for the Property Repairs Team vehicles be approved;

11) The carry forward to 2017/18 of the following HRA capital budgets be approved:
   a) Patterdale Sheltered Scheme Improvements £262,500;
   b) Roof Refurbishments – Rounds Gardens £283,930;
   c) Roof Refurbishments – Biart Place £204,860; and
   d) Housing Window Replacement £700,000;

12) The carry forward to 2017/18 of a £197,600 General Fund capital budget for Rainsbrook Cemetery Preparation be approved;

13) The carry forward to 2017/18 of a £365,000 General Fund capital budget for Great Central Walk Bridges be approved; and

14) A supplementary General Fund revenue budget of £285,440 be approved, for the first year of a new three-year Joint Warwickshire Together Homelessness Early Intervention Project hosted by Rugby Borough Council, to be wholly funding by Department of Communities and Local Government grant funding.

Agenda No 8

Cabinet – 6th February 2017

Finance & Performance Monitoring 2016/17 – Quarter 3

Report of the Head of Corporate Resources & Chief Financial Officer

RECOMMENDATION

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1. INTRODUCTION

This is the third of the quarterly finance and performance monitoring reports for 2016/17, which combines both finance (revenue and capital) and performance monitoring. The purpose of the report is to inform Cabinet of the Council's overall financial and performance position for the year to-date and also the year-end projections as supplied by officers. A final report will be presented to Cabinet in June 2017 for year-end.

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

- General Fund (GF) Revenue Budgets - Section 4 and Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets - Section 5 and Appendix 2;
- Capital Budgets - Section 6 and Appendix 3;
- Performance – Section 7 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 2016/17 General Fund revenue budget was set by Council on 23rd February 2016, with a contribution of £1.1 million to fund the 2015/16 Collection Fund deficit (£913,000) from earmarked reserves, in addition to one-off items such as investment to enhance the town centre (£150,000) funded from additional business rates.

However, the budget was set in the context of significant uncertainty within local government finance and a budget gap in the region of £2 million in the later years of the Council's medium term financial plan.

As reported in the 2017/18 budget setting reports to Cabinet, the Council has taken a proactive approach and already began taking action to achieve its objective of becoming financially self-sufficient. The anticipated overachievement of Corporate Savings and a number variances included within the report result from this action.

3. SUPPLEMENTARY BUDGET REQUESTS:

As per the recommendations three supplementary budgets have been requested to be approved;

- **Rugby Edible Action** - A net nil supplementary General Fund revenue budget of £2,000 has been requested for 2016/17 only, to be used to aid the Rugby Edible Action Partnership. This scheme provides vegetables for the community, promotes community well-being through edible gardening with local groups, including MIND and “Take a Break”, community cooking and food budgeting events. The budget will be wholly funded by a contribution from Warwickshire County Council.

- **Property Repairs Team** - A supplementary HRA capital budget of £75,060 is requested for approval for the purchase of replacement vehicles for the Property Repairs Team. The additional budget is required for price inflation against initial estimates across 9 replacement vehicles.

- **Homelessness Early Intervention Project** - A £285,440 General Fund net nil budget is requested for 2016/17, to fund the first year of a new three-year joint Warwickshire Together Homelessness Early Intervention Project. This countywide trailblazer project will be hosted by Rugby Borough Council, aiming to prevent the incidence of homelessness and anticipates 225 interventions countywide in year 1, building to 550 in year 3, with approximately 20%-25% of referrals arising from Rugby.

  The project is wholly funded by DCLG grant and subject to Council approval of the 2016/17 budget, the second and third year budgets of £280,280 and 298,480 will be built into draft budgets for 2017/18 and 2018/19 respectively.

4. GENERAL FUND (GF) REVENUE BUDGETS:

4.1 Overview

- The Corporate Savings Target had been set at **£200,000** for 2016/17; this has subsequently been increased to £404,800 due to service restructures. To date officers have been able to identify **£484,080** of savings through efficient working and savings through vacant posts.

- After consideration of corporate savings over-achievement, the GF services show an anticipated favorable variance of **£254,100** at year-end.

- There is a favourable variance to date of **£596,700**, based on actual spend to the end of the Quarter 3 against profiled budgets.

4.2 Major Variances

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

Portfolio / Service Area	Variance at Quarter 3 £	Variance Forecast to Year-End £
Growth and Investment		
Planning Services - The variance to Quarter 3 relates to an overachievement of planning income compared to the budgeted position. Any surplus at year-end will be transferred to the Budget Stability Reserve.	-222,600	-5,200
Queen Diamond Jubilee Centre – The leisure centre is continuing to perform well and an increase in the profit share is expected in 2016/17.	-19,100	-19,100
Benn Hall – An underachievement of income from bar sales and room hire has resulted in a variance to quarter and year-end.	+18,200	+15,200
Other minor variances	-700	+50,600
Subtotal	**-224,200**	**+41,500**
Corporate Resources		
General Financial Services – A payment of £25,000 has been made for the subscription to the West Midland Combined Authority.	+23,600	+24,300
Corporate Property Administration – Backdated standby payments & honoraria totalling £12,000, and an increase in repair and maintenance costs.	+48,400	+25,200
Council Tax – Variance relates to increased expenditure on the Analyse Local System on the Rateable Value finder (£14,000) and the empty homes review. This expenditure will be more than offset by the additional business rate & council tax income generated by these systems.	+13,700	+14,600
Housing Benefit Administration – Maternity leave and other salary variances have caused an underspend to quarter, it is anticipated that with overtime payments to cover maternity leave this will be reduced by year-end.	-23,000	-2,800
Legal Services – Higher than expected income from legal work has caused a variance to period and year-end.	-21,300	-15,300
Other minor variances	-14,200	-18,600
Subtotal	**+27,200**	**+27,400**
Environment and Public Realm		
Car Parks – Projected underachievement of income from obsolete and faulty Pay & Display machines. To address this 13 new units are due to be delivered and installed at the end of January 2017.	+1,700	+24,300

Cemeteries – Higher than anticipated income from burial and license income.	-37,000	-28,000
Regulatory Services – The variance is due to an underspend on salaries pending a restructure of the service	-48,900	-34,900
Crematorium – Variances are due to reduced utility costs and an overachievement of income on memorials and plots	-30,900	-20,400
Waste Collection and Recycling – Reduced costs have resulted in savings being achieved to Quarter 3.	-100,500	-85,300
Works Services Unit – The variance is mainly due to an anticipated surplus due from the new Trade Waste round (£40,000), plus efficiency savings on vehicle running costs	-105,000	-54,400
Other minor variances	-16,800	+11,600
Subtotal	**-337,400**	**-187,100**
Communities and Homes		
Central Telephone Services – Savings resulting from new and realigned mobile phone contracts.	-11,200	-12,000
Housing Options Team – Increased costs of temporary accommodation due to a rise in demand.	+12,800	+12,300
Minor variances	-19,000	-12,300
Subtotal	**-17,400**	**-12,000**
Executive Directors Office		
Electoral Services – Cost of borough elections were lower than anticipated.	-39,900	-39,900
Minor variances	-5,000	+12,200
Subtotal	**-44,900**	**-27,700**
Other Corporate Items		
Net Cost of Borrowing - -£40,700 Through prudent management of our investment portfolio our income currently exceeds budgets to date. However, in light of market expectations following the EU referendum in June 2016 it is anticipated that rates of return on investments will remain lower and therefore risks remain to the downside. **Minimum Revenue Provision - +£23,800** Variance relates to additional expenditure on Open Spaces and Corporate Property Enhancements in 2015/16 against forecast. **Corporate Savings - -£79,300** Anticipated overachievement	0	-96,200
Net Variance	**-596,700**	**-254,100**

4.2 Anticipated General Fund Balances

	£	£
GF Balance at 31st March 2016		**-1,880,480**
Approved budget carry forwards from 2015/16	+107,620	
Supplementary budget approvals/pending	-127,870	
Anticipated variance to the end of 2016/17	-254,100	
Amount to be taken from balances		**-274,350**
Anticipated GF Balance at 31st March 2017		**-2,154,830**

The table above shows that GF balances are forecast to be just above £2.1 million at the end of 2016/17, after considering the projected variance and other budget adjustments.

5 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

5.1 Context

Housing Rents were set by Council on 1st March 2016, in the context of a number of policy changes from government, most notably the imposition of 1% rent reductions for four years.

To address the financial implications of these policy changes the Council introduced an £800,000 savings/income target in the 2016/17 HRA budget. The target was introduced to ensure only the required amount is taken from reserves to achieve a balanced budget and maintain a prudent HRA revenue working balance (£1.131m).

5.2 Overview

- HRA services show an anticipated favorable variance of **£318,510** at year-end.
- To-date none of the above variances have been assigned against the savings/income target. It is expected that approximately £500,000 of this target will be met from debt rescheduling.
- There is a favourable variance to date of **£254,130**, based on actual spend to the end of the Quarter 3 and monitored against profiled budgets.

5.3 Major Variances

A summary of the key variances follows:

HRA Income and Expenditure	Variance at Quarter 2 £	Variance Forecast to Year-End £
Rent income from dwellings, land, and buildings - Void levels for dwellings and garages, and applications for Right to Buy are currently lower than estimates. This is subject to change based on the volume of re-lets, voids and Right to Buy applications during the remainder of the financial year.	-39,710	-45,060
Supervision and Management – Variance based on salary underspends / vacant posts within Estate Management and Property Maintenance teams; forecast reduced expenditure on CCTV monitoring, consultancy and cash collection costs.	-212,420	-248,120
Interest & Investment income – forecast variance at year-end based on current estimates of HRA revenue and capital balances. Investment rates may be subject to volatility in 2016/17 and therefore forecast is subject to review.	0	-25,330
Other minor variances	-2,000	0
Net Variance	**-254,130**	**-318,510**

5.4 Anticipated HRA Balances

	£	£
HRA Balance at 31st March 2016		**-2,827,840**
Budgeted contribution from HRA Balances	+1,350,000	
Supplementary budget approvals	+64,560	
Anticipated underspend to the end of 2016/17	-318,510	
Allocation of underspends to savings/income target	+318,510	
Amount to be taken from balances		**+1,413,560**
Anticipated HRA Balance at 31st March 2017		**-1,414,280**

It is anticipated that the service variance of **£318,510** will be utilised to meet the savings/income target in combination with other efficiencies subject to an ongoing HRA balance based on risk analysis.

6 CAPITAL:

6.1 General Fund Capital – Overview

- The GF capital programme is currently budgeted at £5.85 million for 2016/17.

- There is currently a projected favourable variance to year-end of **£805,550** which largely relates to a proposed carry forwards to 2017/18 for Rainsbrook Cemetery Preparation, Great Central Walk Bridges, and General Fund Vehicle Purchase schemes.

- At the end of Quarter 3, the GF capital programme shows an adverse variance of **£42,900** against profiled budgets.

6.2 General Fund Capital – Major Variances

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

Portfolio / Service Area	Variance at Quarter 3 £	Variance Forecast to Year-End £
Growth and Investment	**+9,910**	**+1,080**
Corporate Resources	**-13,780**	**0**
Environment and Public Realm		
Rainsbrook Cemetery Preparation - delays to the scheme, due to original contractor remedial work, require a carry forward to 2017/18 to allow for groundworks to commence in Spring 2017.	**0**	**-197,600**
Purchase of Vehicles – £268,780 of purchases will be deferred until 2017/18 to reflect revised delivery schedules.	**-2,720**	**-268,780**
Great Central Walk Bridge – the budget is requested to be carried forward to 2017/18, due to weather restrictions on the repair work.	**0**	**-365,000**
Other minor variances	**+36,740**	**+38,250**
Sub-total	**+34,020**	**-793,130**
Communities and Homes		
Handyperson Service / Home Safety Checks – The Council's contract with Orbit Care and Repair finished in September 2016 and future provision of this service will be managed internally within the Property Repairs Service.	**0**	**-17,500**
Other minor variances	**+12,750**	**+4,000**
Sub-total	**+12,750**	**-13,500**
Net Variance	**+49,570**	**-805,550**

6.3 HRA Capital – Overview

- The HRA capital programme is currently budgeted at £8.46 million for 2016/17.
- At the end of Quarter 3, the HRA capital programme shows an adverse variance of **£6,670** against the profiled budget.
- There is currently a projected favourable variance to year-end of **£1,537,020**, largely relating to proposed carry forwards to 2017/18 as detailed below.

6.4 HRA Capital – Major Variances

A summary of the key variances follows:

	Variance at Quarter 3 £	**Variance Forecast to Year-End £**
Housing Management System – The scheme is requested to be carried forward to 2017/18 to allow a detailed review of system requirements (housing management and asset management) to be undertaken in 2016/17	-9,000	-120,470
Housing Window / Door Replacement – A carry forward of £700,000 to 2017/18 is requested to allow completion of the replacement programme in spring 2017 based on revised estimates of completions in this financial year.	-570	-700,000
Roof refurbishment – Rounds Gardens / Biart Place - A carry forward of £488,790 to 2017/18 is requested to allow for completion of procurement arrangements via a framework agreement.	-6,730	-488,790
Disabled Adaptation – There is an anticipated saving of £50,000 at year end based on demand levels year to date.	+100	-50,000
Patterdale Sheltered Scheme Improvements – The budget of £262,500 is requested to be carried forward to 2017/18 awaiting further information on potential eco funding.	-390	-262,500
Property Repairs Service Vehicle Purchases – A supplementary budget of £75,060 is requested for increased purchase prices and £10,000 is requested to be carried forward to 2017/18 for a postponed purchase.	0	+65,060
Other minor variances	+23,260	+19,680
Net Variance	**+6,670**	**-1,537,020**

7. PERFORMANCE

This is the monitoring report for the third quarter of 2016/17.

In an effort to make performance data easier to digest the performance indicators have been grouped into Data Sets and presented in **Appendix 4**. This brings focus and clarity to the performance indicators and where they sit within the organisation.

A series of workshops was attended by a few Councillors in November with the view to gauging what performance data they wanted to see. As a result of attending they were able to inform a report setting out the proposed changes to Local Indicators.

Q3 Summary:

- The measures from the contact centre are being redefined following the PI review and will not be included in this report. They will begin reporting again for Q1 2017/18.

- Q2 performance data is showing a negative trend overall and commentary is attached to indicators in **Appendix 4** from the relevant officers.

- To further interrogate the data please login to the Rugby Performance Management System (RPMS).

To get login details for the RPMS or a refresher course on using the system please contact RPMSsupport@rugby.gov.uk

Name of Meeting: Cabinet

Date of Meeting: 6th February 2017

Subject Matter: Finance & Performance Monitoring 2016/17 – Quarter 3

Originating Department: Corporate Resources

LIST OF BACKGROUND PAPERS

Document No.	Date	Description of Document	Officer's Reference	File Reference

Appendix 1

General Fund
Revenue Budget Monitoring 2016/17 April 2016 to December 2016

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	2,113	1,888	**-225**	3,136	3,178	**42**
Corporate Resources	17,020	17,048	**28**	2,086	2,113	**27**
Environment & Public Realm	5,139	4,802	**-337**	7,281	7,095	**-186**
Communities & Homes	853	836	**-17**	1,105	1,093	**-12**
Portfolio Expenditure	**25,125**	**24,574**	**-551**	**13,608**	**13,479**	**-129**
Executive Director Office	1,349	1,304	**-45**	1,681	1,653	**-28**
	26,474	**25,878**	**-596**	**15,289**	**15,132**	**-157**
Less Corporate Savings Target				-405	-484	**-79**
Less IAS 19 Pension Adjustment				-345	-345	**0**
Less Capital Charge Adjustment				-2,127	-2,127	**0**
Net Expenditure				**12,412**	**12,176**	**-236**
Net Cost of Borrowing				670	629	**-41**
MRP Adjustment				1,192	1,215	**23**
Revenue Contribution to Capital Outlay				88	88	**0**
Total Expenditure				**14,362**	**14,108**	**-254**

Housing Revenue Account (HRA)
Revenue Budget Monitoring 2016/17 April 2016 to December 2016

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	-10,886	-10,983	**-97**	-16,348	-16,451	**-103**
Rent income from land and buildings	-189	-144	**+45**	-281	-189	**92**
Charges for services	-944	-926	**+18**	-1,422	-1,426	**-4**
Contributions towards expenditure	-95	-100	**-5**	-275	-304	**-29**
Total Income	**-12,114**	**-12,153**	**-39**	**-18,326**	**-18,370**	**-44**
Expenditure						
Transfer to Housing Repairs account	0	0	**0**	3,329	3,329	**0**
Supervision and Management	3,167	2,955	**-212**	4,894	4,645	**-249**
Rents, Rates, Taxes and other charges	3	1	**-2**	3	3	**0**
Depreciation & Impairment	0	0	**0**	3,817	3,817	**0**
Debt Management Cost	0	0	**0**	7	7	**0**
Provision for Bad or Doubtful Debt	0	0	**0**	131	131	**0**
Amounts set aside for the repayment of debt	0	0	**0**	6,900	6,900	**0**
HRA Savings / Income Target	0	0	**0**	-801	-801	**0**
Total Expenditure	**3,170**	**2,956**	**-214**	**18,280**	**18,031**	**-249**
Net Cost of Services	**-8,944**	**-9,197**	**-253**	**-46**	**-339**	**-293**
HRA Share of Corporate & Democratic Core Costs	0	0	**0**	210	210	**0**
Interest Payable & Similar Charges	0	0	**0**	1,327	1,324	**-3**
Interest & Investment Income	0	0	**0**	-76	-99	**-23**
Net Operating Expenditure	**-8,944**	**-9,197**	**-253**	**1,415**	**1,096**	**-319**
Contributions to (+) / from (-) Reserves	0	0	**0**	-1,350	-1,350	**0**
Surplus(-)/Deficit(+) for year	**-8,944**	**-9,197**	**-253**	**65**	**-254**	**-319**

Capital Budget Monitoring 2016/17
April 2016 to December 2016

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	938	948	**10**	1,336	1,337	**1**
Corporate Resources	113	99	**-14**	848	848	**0**
Environment & Public Realm	1,015	1,047	**+32**	2,575	1,782	**-793**
Communities & Homes	649	662	**+13**	1,090	1,076	**-14**
Sub Total General Fund	**2,715**	**2,756**	**+41**	**5,849**	**5,043**	**-806**
Housing Revenue Account	4,422	4,429	+7	8,460	6,923	-1,537
Overall Total	**7,137**	**7,185**	**+48**	**14,309**	**11,966**	**-2,343**

Performance Report for Cabinet

Report Author: Christopher Trezise (Admin)
Generated on: 09 January 2017

RPMS

How to analyse the trend data

It is important to note that trend data is set to two extremes. Aim to maximise the value or aim to minimise the value. Some data that we collect is not measured against either of these trends and is just factual data.

This report is best viewed in colour so it is recommended to view the electronic version rather than printed black and white copies. The electronic version can be found on the intranet.

An upward pointing arrow is indicative of a positive trend and a downward pointing arrow is indicative of a negative trend.

N/A – When you see this in the trend box it means that the data is not measured against a trend so a trend arrow is not generated.

- The blue trend arrows represent the long term trend. Long term looks at the data and compares it to the same period over a larger frequency – i.e. Months are compared for the same period last year, quarters compared to same period in previous year and Years are compared over 4 years.

- The purple trend arrows represent the short term trend. Short term looks at the data and compares it to the previous frequency – either the last month, quarter or year.

- The bar (both purple and blue) represents no movement in the trend.

Where the short term trend shows as negative then contextual commentary from the assignees and managers has been provided directly beneath the performance measure. Where seasonal trends occur, like at the Art Gallery or Leisure Centre, then contextual commentary will be provided on the long term trend instead.

Communities & Homes Portfolio

Equality & Diversity Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Ethnic Minority representation in the workforce - employees	9.7%	Q3 2016/17				6 - CH Portfolio

Gas Certification Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Percentage of properties with a gas appliance that have a valid gas certificate	99.94	December 2016				6 - CH Portfolio

Homelessness Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Number of homeless preventions made by Rugby Borough Council	15	Q2 2016/17				6 - CH Portfolio
Number of homeless preventions made due to financial advice being provided by Citizens Advice Bureau	72	Q2 2016/17				6 - CH Portfolio
The number of households accepted for re-housing	51	Q2 2016/17		N/A	N/A	6 - CH Portfolio
The number of homeless decisions made each quarter	58	Q2 2016/17		N/A	N/A	6 - CH Portfolio

The data for the Homelessness performance data set is not currently available for Q3. The data shown above is the latest available covering Q2.

Housing Rents Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Rent Collection and Arrears Recovery	96.10%	Q3 2016/17				6 - CH Portfolio

There is no short trend movement on this performance measure from Q2. The Q3 value falls within the acceptable tolerance of the target.

Housing Voids

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Average void period in days	26	Q3 2016/17				6 - CH Portfolio

Corporate Resources Portfolio

Benefits Operational Dataset

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Number of households in receipt of benefits	6,159	Q3 2016/17		6 - CR Portfolio
Benefits - average end to end time for claims (days)	32.95	December 2016		6 - CR Portfolio

Financial Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
% of Council Tax collected (cumulative over 10 months per year)	85.91%	Q3 2016/17		6 - CR Portfolio
Percentage of Non-domestic Rates collected (cumulative over 10 months per year)	83.72%	Q3 2016/17		6 - CR Portfolio

Despite this indicator showing adverse trends the data has only dropped by 0.05% compared to Q3 2015/16 where the value was 83.77%. In both 2015/16 and 2016/17 the increase in rates collected between Q2 and Q3 has been by 26.93% to 27.82% making this a consistent rise.

Sickness Absence Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Number of working days lost due to long term sickness absence	405	Q3 2016/17		6 - CR Portfolio
Number of working days lost due to short term sickness absence	585	Q3 2016/17		6 - CR Portfolio
Number of staff on long term sickness absence	19	Q3 2016/17		6 - CR Portfolio
Number of staff on short term sickness absence	166	Q3 2016/17		6 - CR Portfolio

Environment & Public Realm Portfolio

Environmental Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Cumulative Tonnage of household waste sent for reuse, recycling and composting	12419	Q3 2016/17		N/A	N/A	6 - EPR Portfolio
Improved street and environmental cleanliness - No. of Flytipping incidents	299	Q2 2016/17				6 - EPR Portfolio
The Flytipping data is not currently available for Q3, the above data is the latest available covering Q2.						
Percentage of household waste sent for reuse, recycling and composting	53.1%	Q3 2016/17		N/A	N/A	6 - EPR Portfolio

Food Hygiene Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 5	70%	Q3 2016/17				6 - EPR Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above	85.8%	Q3 2016/17				6 - EPR Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above	94.66%	Q3 2016/17				6 - EPR Portfolio

Parks Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Quality rating of Parks and the Grounds	2.57	Q3 2016/17		6 - EPR Portfolio
Despite showing a downward trend this indicator has only suffered a slight decline and is still within the Acceptable category based on the Green Space Quality manual, this manual can be found on the Rugby Performance Management System in the documents section of this performance indicator.				
Average end to end time in days for determining applications of works to protected trees	22.54	Q3 2016/17		6 - EPR Portfolio

Growth & Investment Portfolio

Benn Hall Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
No. of room bookings at the Benn Hall	53	December 2016				6 - GI Portfolio
Looking at the long-term trend and the previous months' data on the Rugby Performance Management System it is clear that although this is lower than November by 3, it is higher in value than June through to October 2016. It is also twice as much as the same period last year.						
No. of tickets sold at the Benn Hall		November 2016		N/A	N/A	6 - GI Portfolio
Footfall through the door at the Benn Hall		November 2016		N/A	N/A	6 - GI Portfolio
The data for the above 2 performance indicators is not currently available for December, the above data is the latest available covering November.						

Land Charges Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Average end to end time for Land Charge Searches	3.17	December 2016				6 - GI Portfolio

Rugby Art Gallery and Museum Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Museums & Galleries - Visits in Person (per 1,000 population)	123	Q3 2016/17				6 - GI Portfolio
Visitor numbers risen due to re-opening of Floor One Gallery, the new Archaeology Gallery (15th October) and Rugby Open and a Place Called Rugby Exhibitions. And events such as the Festive Evening and Big Draw.						
Visits to and Use of Museums - School Groups	424	Q3 2016/17				6 - GI Portfolio
Archaeology Gallery opened on 15th October, this has meant that we can offer the popular Tripontium School Programme and have seen a significant rise in bookings from Q2.						
Museums & Galleries - Enquiries & Presentations (per 1,000 population)	126	Q3 2016/17				6 - GI Portfolio
Enquiries are on the rise due to the Rugby Open and a Place called Rugby Exhibitions. And the re-opening of Floor One Gallery and opening of the Archaeology Gallery.						

Sports & Rec Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Total number of young people contacts - Borough wide ages 5-19	36,469	Q2 2016/17				6 - GI Portfolio
Total grant aid obtained from external funding sources	£57,707.00	Q2 2016/17				6 - GI Portfolio
Leisure Centre Visits	48,607	September 2016				6 - GI Portfolio
The data for the Sports & Rec performance data set is not currently available for Q3, the above data is the latest available covering Q2.						

Agenda No 9

AGENDA MANAGEMENT SHEET

Report Title:	Local Government Finance Act 1992 – Council Tax on empty properties
Name of Committee:	Cabinet
Date:	6th February 2017
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	All
Prior Consultation:	
Contact Officer:	Chryssa Burdett – 01788 533495
Public or Private:	Public
Report subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	No
Corporate Priorities:	This report relates to the following priority: PEOPLE – Facilitate the provision and upkeep of good quality housing to meeting local needs and to cater for the growth of Rugby. Outcome sought: Innovative approaches to service delivery. Priority: Actively seek revenue-generating opportunities and apply charges in order to meet our costs.
Statutory / Policy Background:	Local Government Finance Act 2012 and The Council Tax (Prescribed Classes of

	Dwelling) (England) Amendment Regulations 2012.
Summary:	This report gives the options and makes a recommendation to reduce the discount period given on empty properties.
Financial Implications:	Reducing the 100% discount period given on empty properties from the current 6 months to 1 month could potentially increase overall council tax income by a maximum of £270,000 per annum of which the Council's share would be around £32,000. Actual income will be reduced by any collection losses.
Risk Management Implications:	Reduction in the discount given to owners of empty properties within the Borough is likely to make collection of council tax due on these properties more difficult than it is currently, but the benefits of the additional incomes outweighs the risk.
Environmental Implications:	There are no environmental implications for this report
Legal Implications:	There are no legal implications for this report
Equality and Diversity:	There are no equality and diversity implications for this report
Options:	1. Keep the discount period at 6 months for all empty properties. Owners are then less likely to either rent out or sell their property. 2. Reduce the discount on empty properties from 100% to 8% after 1 month
Recommendation:	IT BE RECOMMENDED TO COUNCIL THAT - 1. the 100% discount period be reduced from 6 months to 1 month; and 2. the updated Appeals Procedure at Appendix 1 be continued.

Reasons for Recommendation:	The Council should be encouraging owners of empty homes to bring them back into use.

Agenda No 9

Cabinet - 6th February 2017

Local Government Finance Act 1992 – Council Tax on empty properties

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT -

1. the discount period be reduced from 6 months to 1 month; and

2. the updated Appeals Procedure at Appendix 1 be continued.

1. 1.Introduction

Since April 2013, local authorities have had the discretion to charge between 50% and 100% council tax on properties which are unoccupied and substantially unfurnished, and are able to charge a premium of up to 50% on properties which have been unoccupied and substantially unfurnished for two years or more. The period, criteria and principles can be determined by each local authority.

Starting from 1 April 2013, Rugby Borough Council made a decision to charge 100% council tax on properties that had been unoccupied and substantially unfurnished for more than 6 months and charge 0% on those that had been unoccupied and substantially unfurnished for less than 6 months. At this time, the decision was also taken to charge a premium of 50% after 2 years.

The council tax system provides specific statutory exemptions for properties left empty for a specific purpose, for example when a person goes into care and council tax is not levied on such properties.

Rugby Borough Council gives no discount for a furnished property that is not used as someone's main home.

The legislation allows for the time periods to be determined on unoccupied and substantially unfurnished properties. Rugby Borough Council can therefore decide to only grant a 100% discount on properties for a lesser period than 6 months.

During 2015/16 there were 4,449 properties that received a 100% discount for being empty for a period of up to 6 months. The breakdown of these properties is:

Up to 1 month – 2,920
Up to 2 months – 722
Up to 3 months – 341
Up to 4 months – 192
Up to 5 months – 107
Up to 6 months – 167

The reasons for properties being empty for up to 6 months are many but will include:

i) An owner is selling a property and moves out prior to the sale
ii) A new owner purchases a property does not move in immediately
iii) A property is empty between tenants

One of the main reasons that Rugby Borough Council chooses to charge on empty properties is to encourage owners to bring them back into use. Also Rugby Borough Council can receive an income from empty properties to provide services to both empty and unoccupied properties.

1.2 Background Information

Below is a summary of the empty property relief provided by our neighbouring authorities;

Warwick District Council will give no discount from April 2017
Coventry City; no discount
North Warwick District Council; give 14 days then charge
Nuneaton & Bedworth Borough Council; give 3 months
Stratford District Council; give 3 months

1.3 Options and Financial Implications
The income that changing the discount could bring in based on 2015/16 liabilities are:

Reduced to 5 months £4,711
Reduced to 4 months £36,315
Reduced to 3 months £76,615
Reduced to 2 months £145,132
Reduced to 1 month £270,733

For consideration is:
i) Rugby Borough Council will have to pay on their own housing stock for any that are empty between lets.
ii) Revenues will need to carry out more checks on empty properties
iii) Revenues will potentially be in dispute with landlords and tenants as to when properties become empty
iv) There will be more application for uninhabitable 100% discount as this is currently for a 12 month period.

Name of Meeting:
Cabinet

Date of Meeting:
6th February 2017

Subject Matter:
Local Government Finance Act 1992 – Council Tax on empty properties

Originating Department:
Resources

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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Suggested/Draft **Appendix 1**

Local Government Finance Act 2012

Discretionary Power for Reduction of Discount

1. Introduction

The Local Government Finance Act 2012 gave local authorities new powers in relation to Council Tax, in particular to reduce the discount available to long term empty properties and second homes and charge a premium on properties left empty for more than 2 years.

This authority resolved at its meeting on 4 February 2013 to reduce the discount available to the above properties to 0%, and charge a premium of 50% on long term empty properties that had been empty for more than 2 years.

2. Procedure

Under the Local Government Finance Act 1992 billing authorities have the power to reduce the Council Tax on any chargeable dwelling. The power to grant this has been delegated to the Head of Resources. The Head of Resources has delegated the consideration of the decision to the Revenues Manager.

All applications must be in writing and must state the reasons as to why the Council should use its discretionary powers.

3. Criteria

Each case will be considered on its merits and the following criteria will be used.

- There must be evidence of hardship or personal circumstances to justify a reduction.
- The Council must be satisfied that the applicant has taken reasonable steps to resolve the situation prior to application. Examples being details of steps taken to sell the property.
- The property cannot be let due to planning restrictions.
- It must not be the sole or main residence of the applicant.
- The applicant is not entitled to Council Tax benefit.

- All other eligible discounts/reliefs have been considered.

4. Review of Decision

There is no formal right of appeal against the Councils' decision. However the Council will accept an applicant's request for a re-determination provided this is received within 14 days of notification of the original decision.

This re-determination of the decision will be carried out by the Head of Resources.

The Head of Resources will consider the representations and reply to the applicant within 14 days.

There is no further right of appeal apart from judicial review.

Agenda No 10

AGENDA MANAGEMENT SHEET

Report Title:	Allocations Policy Review
Name of Committee:	Cabinet
Date:	6th February 2017
Report Director:	Head of Communities and Homes
Portfolio:	Communities and Homes
Ward Relevance:	All
Prior Consultation:	Elected Members, Tenant Panel Representatives, local authorities in Warwickshire
Contact Officer:	Holly Reid, Homes and Advice Team Leader - holly.reid@rugby.gov.uk 3670
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): **PEOPLE** - Facilitate the provision and upkeep of good quality housing to meet local needs and to cater for the growth of Rugby.
Statutory / Policy Background:	Housing Act 1996 part 6 as amended by the Homelessness Act 2002. The Localism Act 2011; which gives local authorities greater freedoms to manage waiting lists and allocate properties to meet local need. Welfare changes will result in a reduction in LHA rates for under 35s from a 1 bed

	property allowance to a shared accommodation rate.
Summary:	The Allocations Policy has been reviewed within the timescales outlined in the previous policy review. The changes are set out the report.
Financial Implications:	The changes will ensure that the council will continue to maximise rental income by responding to legislative and Welfare changes such as the LHA rate reduction.
Risk Management Implications:	The council has taken into account legislative changes made via recent case law in terms of accessing the council’s Housing Waiting List, which will mitigate risk of legal challenge.
Environmental Implications:	None Identified
Legal Implications:	The council has taken into account legislative changes made via recent case law in terms of accessing the council's Housing Waiting List, which will mitigate risk of legal challenge.
Equality and Diversity:	An Equality Impact Assessment has been completed as part of the Cabinet Report (see Appendix 1) and there are no negative impacts on residents as a result of the changes.
Options:	That the revised Allocations Policy not be approved. That the revised Allocations Policy be approved.
Recommendation:	IT BE RECOMMENDED TO COUNCIL THAT the revised Allocations Policy be approved.
Reasons for Recommendation:	The amendments have been recommended to make the policy more flexible and therefore responsive to people in housing need. The Policy has had regard to Welfare changes and aims to protect the Housing Revenue Account.

The revised policy is also clearer for both officers and customers, which will help to provide consistency and ultimately more transparency in decision making.

Agenda No 10

Cabinet - 6th February 2017

Allocations Policy Review

Report of the Head of Communities and Homes

Recommendation
IT BE RECOMMENDED TO COUNCIL THAT the revised Allocations Policy be approved.

BACKGROUND

The last review of the council's Housing Allocations Policy took place in 2016 in response to Welfare Reform and legislative changes. It was agreed that the policy would be reviewed early 2017 and during the last 6-months the Homes and Advice Team Leader has been working on the revised policy. The Consultation process included:

- Elected Members (Members' conversation – 23/11/16)
- Tenant representatives (Tenant's Panel Meeting - 07/12/16)
- Other Local authorities (emails 23/11/16)
- Voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16)
- RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16),
- Housing Associations (emails -02/11/16 and14/11/16)

The key changes to the policy have been made as a direct result of the consultation process, which will make the policy more flexible and responsive to the needs of people who approach the council and its partner organisations for housing through the Housing Waiting List (see Table 1 in Appendix 1). The Policy has also had regard to the Welfare Benefit changes and aims to protect the Housing Revenue Account.

The Main Changes to the Allocations Policy

The main changes to the Policy are:

- A restriction on all people under 35 being allocated one-bedroom accommodation unless a successful affordability check has been completed and if not only being offered shared (flats or houses not rooms) accommodation.
- An income and expenditure form will be completed for all people that are interested in joining the housing waiting list.
- Households with a right to succession and assignment will have increased priority from band 2 to band 1.

- Council tenants who are under occupying their property and need to move for affordability reasons will have increased priority from band 2 to band 1.
- Those residents who have a housing need because they are sharing facilities to only cover those not living with their family.
- Increase the criteria to the Rural Allocations Policy to include 'someone needing care from a person in the Parish'.
- The Incentive Scheme be changed from the £500 currently paid to tenants to £1000.
- Introduce an expectation that potential tenants will be ‘tenancy-ready’ before commencing their tenancy with a commitment to train those who are not or refer to a relevant support agency.

Under 35s and Shared Accommodation

The Spending Review in November 2015 announced that from 1 April 2018 the benefit rates for new social housing tenants under the age of 35 will be capped at the shared room Local Housing Allowance rate, instead of the 1-bedroom allowance rate. This will apply to tenancies that commenced from on 1 April 2016.

The shared room rate is currently £65.65 per week and tenants impacted by this cap will be required to make up the shortfall in benefit, which is likely to be in the region of £15 per week on a 1-bed property. If tenants are on a low income they are unlikely to be able to afford to cover the shortfall and as such a recommendation has been made to restrict access to 1-bed accommodation for applicants under 35 who are on benefits unless an affordability check shows that they can afford the property. The shared accommodation rates will be capped at or below Local Housing Allowance rates.

A copy of the amended Allocations Policy is available in the Members’ Room.

Conclusion

The policy will be reviewed in 12 months-time to take into account the potential changes in the Welfare Benefit system and the Housing and Planning Act 2016.

Name of Meeting:
Cabinet

Date of Meeting:
6th February 2017

Subject Matter:
Allocation Policy Review

Originating Department: Communities and Homes

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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* There are no background papers relating to this item.

(*Delete if not applicable)

EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)

Allocations Policy – January 2016

Equality Impact Assessment

Service Area	Housing
Policy/Service being assessed	Allocations Policy
Is this is a new or existing policy/service? **If existing policy/service please state date of last assessment**	Existing Policy updated from January 2014
EqIA Review team – List of members	Holly Reid, Homes and Advice Team Leader
Date of this assessment	22 December 2016
Signature of responsible officer (to be signed after the EqIA 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.

Appendix 1

Form A1

INITIAL SCREENING FOR STRATEGIES/POLICIES/FUNCTIONS FOR EQUALITIES RELEVANCE TO ELIMINATE DISCRIMINATION, PROMOTE EQUALITY AND FOSTER GOOD RELATIONS

High relevance/priority | Medium relevance/priority | Low or no relevance/ priority

Note:
1. Tick coloured boxes appropriately, and depending on degree of relevance to each of the equality strands
2. Summaries of the legislation/guidance should be used to assist this screening process

Business Unit/Services:	Relevance/Risk to Equalities																										
State the Function/Policy /Service/Strategy being assessed:	Gender			Race			Disability			Sexual Orientation			Religion/Belief			Age			Gender Reassignment			Pregnancy/ Maternity			Marriage/ Civil Partnership (only for staff)		
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Allocations Policy			✓			✓		✓				✓			✓		✓				✓		✓				

Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? **If yes please explain how.** **The policy addresses social inequalities and provides priority for vulnerable groups including low income families and rural communities.**	**YES**
Are your proposals likely to impact on a **carer** who looks after older people or people with disabilities? **If yes please explain how**. The Allocation Policy does impact positively on carers as there is provision in the policy to increase their priority on the Housing Waiting List. The Rural Allocation Policy has been amended to include those needing care from someone living in the Parish. This means that people needing care will now have been considered under the Rural Allocation Policy.	**YES**

Form A2 – Details of Plan/ Strategy/ Service/ Policy

Stage 1 – Scoping and Defining	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	To provide the council with a clear Housing Waiting List Allocations Policy to meet the needs of applicants for social housing.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	To facilitate the provision and upkeep of good quality housing to meet local needs and to cater for the growth of Rugby
(3) What are the expected outcomes?	The expected outcomes of the policy are to: • Provide housing applicants in Rugby with a fair and easy to understand way of letting social housing properties • House those in the greatest housing need • Make best use of social housing stock in the area
(4)Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	Applicants for social housing including those nominated to housing association partners. These applicants can fall into all of the protected characteristics: gender, race, disability, sexual orientation, religion/belief, age, gender reassignment, pregnancy/ maternity, marriage/civil partnership. However the Council only collects information from waiting list applicants on gender, race, disability, age and pregnancy/ maternity.
Stage 2 - Information Gathering	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	We have said previously that we would start to review the policy in November 2016. We have also considered the changes to policy in the Housing and Planning Act 2016 and the welfare benefit changes including the introduction of caps to the housing element of Universal Credit for those under 35.

<table>
<tr><td>(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?</td><td colspan="3">Consultation with a wide variety of organisations including local authorities (emails 23/11/16), voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16), Elected Members (Member’s conversation – 23/11/16) RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16), housing associations (emails - 02/11/16 and14/11/16) tenant representatives (Tenant’s Panel Meeting - 07/12/16)</td></tr>
<tr><td>(3) Which of the groups with protected characteristics have you consulted with?</td><td colspan="3">As above consulted in line with the Warwickshire Compact guidelines. Consultation with a wide variety of organisations including local authorities (emails 23/11/16), voluntary organisations (emails - 02/11/16, 14/11/16 and 23/11/16), Elected Members (Member’s Conversation – 23/11/16) RBC staff (meetings- 21/09/16, 26/09/16, 28/09/16, 03/10/16, 06/10/16 and 11/10/16), housing associations (emails -02/11/16 and14/11/16) tenant representatives (Tenant’s Panel Meeting - 07/12/16) These organisations represent people from all the relevant protected characteristics as laid out in question 4.</td></tr>
<tr><td><u>Stage 3 – Analysis of impact</u></td><td colspan="3">Please see the enclosed sheet for a breakdown of the Housing Waiting List (Table 1 – Breakdown of applicants on the Housing Waiting List)</td></tr>
<tr><td rowspan="3">(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination?

If yes, identify the groups and how they are affected.</td><td>RACE
No</td><td>DISABILITY
No</td><td>GENDER
No</td></tr>
<tr><td>MARRIAGE/CIVIL PARTNERSHIP
N/A</td><td>AGE
Yes – under 35</td><td>GENDER REASSIGNMENT
N/A</td></tr>
<tr><td>RELIGION/BELIEF
No</td><td>PREGNANCY MATERNITY
No</td><td>SEXUAL ORIENTATION
N/A</td></tr>
<tr><td>(2) If there is an adverse impact, can this be justified?</td><td colspan="3">The Council will no longer be offering one bedroom flats to those under 35 unless they can afford to live in these properties. The Council has taken this action because from April 2018 those people under 35 will have their housing element of their Universal Credit capped to a ‘Single Room Rate’ which is well below the rent charged on a council one-bedroomed property. The Council cannot afford the rent loss and does not want to increase the chances of tenants falling into rent arrears. The Council will instead offer a room in a shared house which will be more affordable to the tenant.</td></tr>
</table>

(3)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.)	The policy has been developed taking into account relevant legislation including case law so the potential for discrimination is mitigated by this. The Council will be conducting an income assessment to investigate if people under 35 can afford to live in a one-bedroomed flat.
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	It recognises the needs of vulnerable individuals such as the disabled, people with mental health and learning disability vulnerabilities and those fleeing violence and provides them with priority through the policy to enable them to access affordable housing in the borough. For example it is ensured that through the policy and the allocation procedure those with a physical disability are able to access adapted properties.
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	This is difficult to manage as vacancies may arise across the Borough and so it is looked at on an individual basis depending on the personal circumstances of the tenant or applicant.
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	No, the service was made more accessible especially for vulnerable applicants following the End-to-End review which removed UChoose in 2013 and reverted back to a waiting list scheme. The Housing Options Team also provides a flexible service to meet the needs of individuals who for example can't access the Town Hall for interviews. The policy document can be made available in different languages on request and the Housing Options Team where required can assist people through Language Line and through the assistance of other officers who speak different languages. The Housing Options Team will also provide practical assistance for customers who are having difficulties completing applications

Stage 4 – Action Planning, Review & Monitoring	

<table>
<tr><td>If No Further Action is required then go to – Review & Monitoring

(1)Action Planning – Specify any changes or improvements which can be made to the service or policy to mitigate or eradicate negative or adverse impact on specific groups, including resource implications.</td><td>EqIA Action Plan
<table><tr><th>Action</th><th>Lead Officer</th><th>Date for completion</th><th>Resource requirements</th><th>Comments</th></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table></td></tr>
<tr><td>(2) Review and Monitoring
State how and when you will monitor policy and Action Plan</td><td>The Allocations Policy will be reviewed in November 2017</td></tr>
</table>

Please annotate your policy with the following statement:
'An Equality Impact Assessment/ Analysis on this policy was undertaken on (22/12/16) and will be reviewed on (November 2017).

Table 1 – Breakdown of applicants on the Housing Waiting List

	Number	**Percentage of waiting list**
Gender		
Female	1090	57.70%
Male	799	42.30%
Race		
Asian British	25	1.32%
Asian Indian	6	0.32%
Asian Pakistani	6	0.32%
Bangladeshi	3	0.16%
Black African	52	2.75%
Black British	33	1.75%
Black Caribbean	18	0.95%
Chinese	6	0.32%
Mixed : Other Mixed Background	4	0.21%
Mixed : White & Asian	4	0.21%
Mixed : White & Black African	5	0.26%
Mixed : White & Black Caribbean	18	0.95%
Not Available	143	7.57%
Other	11	0.58%
Other Asian	5	0.26%
Other Black	16	0.85%
Travellers	1	0.05%
White British	1233	65.27%
White Eastern European	150	7.94%
White European Other	104	5.51%
White Gypsy	2	0.11%
White Irish	3	0.16%
White Other	41	2.17%
Disability		
Learning	4	0.21%
Medical	10	0.53%
Mental	11	0.58%
Mobility	33	1.75%
Sensory	5	0.26%
Prefer not to say	3	0.16%
Left blank	1823	96.51%

Age		
<1	39	2.06%
1 to 10	498	26.36%
11 to 20	259	13.71%
21 to 30	298	15.78%
31 to 40	257	13.61%
41 to 50	147	7.78%
51 to 60	129	6.83%
61 to 70	143	7.57%
71 to 80	78	4.13%
81 to 90	30	1.59%
91 to 100	11	0.58%
Pregnancy		
The data is unreliable but likely to be under 10 women		

Agenda No 11

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	6 February 2017
Report Title	Coventry and Warwickshire Sustainability and Transformation Plan (STP)
Portfolio	Communities and Homes
Ward Relevance	All
Prior Consultation	All Members
Contact Officer	Adam Norburn, Executive Director, 01788 533430
Report Subject to Call-in	Yes
Report En-Bloc	No
Forward Plan	Yes
Corporate Priorities	People - Improved health and wellbeing for all age groups and communities
Statutory/Policy Background	STPs are a new national requirement, based upon integration and joint working across the health and wellbeing system.
Summary	This report provides Members with an update on the progress of the Coventry and Warwickshire STP.
Risk Management Implications	There are no risk management implications arising from this report.
Financial Implications	There are no financial 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

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

Options

1. Endorse the Coventry and Warwickshire STP.

2. Do not to endorse the Coventry and Warwickshire STP.

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT:

1. The current progress of the Coventry and Warwickshire Sustainability and Transformation Plan (STP) be noted;

2. Rugby Borough Council is unable to give its support to or endorse the Coventry and Warwickshire STP at the present time since there has been no public consultation and there appears to have been no account taken of the impact on the services of other agencies, such as the Borough Council, or indeed of the part the Council has to play in promoting health and wellbeing and preventing the escalation of issues in order to avoid pressure on primary care and other health services.

3. The statement contained in paragraph 1 and the course of action set out in paragraph 2 of the resolution of Warwickshire County Council, included as Appendix 2 to this report, be endorsed;

4. The Local Strategic Partnership be tasked with setting up a Working Party to oversee the development of the STP and its potential impact within the Borough of Rugby; and

5. Notwithstanding the decision on Recommendation 2 above, the Council wishes to participate constructively in all future discussions and negotiations regarding the STP.

Reasons for Recommendation

As a key stakeholder, the Council will want to actively engage in the Coventry and Warwickshire STP process and will wish to form a view as to how satisfactorily progress has been made.

Agenda No 11

Cabinet – 6 February 2017

Coventry and Warwickshire Sustainability and Transformation Plan (STP)

Report of the Communities and Homes Portfolio Holder

Recommendation

IT BE RECOMMENDED TO COUNCIL THAT:

1. The current progress of the Coventry and Warwickshire Sustainability and Transformation Plan (STP) be noted;

2. Rugby Borough Council is unable to give its support to or endorse the Coventry and Warwickshire STP at the present time since there has been no public consultation and there appears to have been no account taken of the impact on the services of other agencies, such as the Borough Council, or indeed of the part the Council has to play in promoting health and wellbeing and preventing the escalation of issues in order to avoid pressure on primary care and other health services.

3. The statement contained in paragraph 1 and the course of action set out in paragraph 2 of the resolution of Warwickshire County Council, included as Appendix 2 to this report, be endorsed;

4. The Local Strategic Partnership be tasked with setting up a Working Party to oversee the development of the STP and its potential impact within the Borough of Rugby; and

5. Notwithstanding the decision on Recommendation 2 above, the Council wishes to participate constructively in all future discussions and negotiations regarding the STP.

1. **Background**

1.1 STPs are a new national requirement, based upon integration and joint working across the health and wellbeing system. They are intended to provide the method by which the *NHS Five year Forward View* is translated into practice by closing the quality, cost and wellbeing gaps.

1.2 The Coventry and Warwickshire STP (copy available in the Members' Room) is one of 44 being developed nationally. It was submitted to NHS England in October 2016 and was released publicly in early December 2016.

1.3 This paper presents Council with the background to the development of the STP, the actual submission of the STP in early December and the next steps in terms of further development and engagement.

1.4 Key points for the Council to consider include:

1.4.1 The potential financial gap that partner organisations across the STP footprint need to manage reaches £267m p.a. by 2020/21 within health services and £33m p.a. within local authority social care and public health services.

1.4.2 The STP financial plan will include proposals to move spending out of acute services in order to support people closer to home. This will involve an increase in spending in community health services, primary care and local authority services. The current planning assumption is that any additional costs likely to fall on councils to help deliver the STP or caused by the effects of the STP will be funded from the STP, for example by the movement of health budgets following patients and service users away from acute services. It is essential that any increase in responsibilities for this Council is matched by an appropriate shift in funding.

1.4.3 Emphasis is placed within the STP on mapping community assets and building community capacity to support self-help. Local authorities, including this council, will have a key leadership role to play in this.

2. Key Themes

2.1 The vision for the Coventry & Warwickshire STP is:

"To work together to deliver high quality care which supports our communities to live well, stay independent and enjoy life".

2.2 A commitment to both prevention and integration lies at the heart of the STP development. In Coventry & Warwickshire this intent is supported by the Coventry and Warwickshire Health and Wellbeing Boards both signing up to an Alliance Concordat in October 2016 (see Appendix 1).

2.3 The Coventry and Warwickshire STP is led by the NHS and directly involves the following partner organisations:

- Coventry City Council
- Coventry and Rugby Clinical Commissioning Group
- Coventry and Warwickshire Partnership NHS Trust
- George Eliot Hospital NHS Trust
- South Warwickshire Clinical Commissioning Group
- South Warwickshire NHS Foundation Trust
- University Hospitals Coventry and Warwickshire NHS Trust

• Warwickshire North Clinical Commissioning Group
• Warwickshire County Council

2.4 Each of the above organisations has senior officer representation on the STP Board which is chaired by Andy Hardy, CEO of University Hospitals Coventry and Warwickshire NHS Trust (UHCW) and is responsible for developing the STP.

2.5 Along with the other Districts and Boroughs, the Council is not represented on the Programme Board and at a Warwickshire Health and Wellbeing Integration Workshop back in October made strong representations against the principle of the STP being formulated without the direct engagement of all partner organisations, effectively “in secret”, and with a complete lack of clarity about the potential impact on local services and the overall consultation and engagement process.

There are clearly real opportunities to improve services and outcomes, but it is equally clear that this will require a shift in mindset for all partners and the way that STPs have been drawn up not just in Coventry and Warwickshire, but across the country, gives a clear indication that we still have a long way to go to work effectively across the health and care system.

2.6 The STP comprises the following headline workstreams which have been established to support delivery of the overall vision shown in para 2.1 above:

- **Proactive and preventative care** - helping people to live healthier lifestyles and fulfil their potential so that they avoid or reduce the need for medical and social care

- **Urgent and emergency care** - advice to help people access what they need as efficiently as possible

- **Planned care** - looking at how advice can be improved and help for things like an operation in the next few months or a doctor's appointment in the next week etc.

- **Maternity and paediatrics** - increasing choice around where to give birth and creating safe, modern services

- **Productivity and efficiency** - improving the efficiency of administrative and support functions

2.7 The STP model is based upon the delivery of services at three spatial levels:

• Local – c.30–50k population
• Countywide – c.500k population
• Coventry and Warwickshire/Regional – c.1.5m population

3. Timescales associated with the decision and next steps

3.1 The Coventry & Warwickshire STP submission was released publicly on 6th December 2016. This formed the start of the engagement process with stakeholders and discussion on its direction and content.

3.2 By the time this report is being considered, further engagement will have taken place in January via the Coventry and Warwickshire Health and Wellbeing Boards.

3.3 Formal sign up to the STP by partners may be required in early 2017. At this stage this has not been possible due to previous NHS England restrictions on sharing the plans publicly.

3.4 Warwickshire County Council considered the STP on 13th December 2016 and made the resolution shown at Appendix 2. Nuneaton and Bedworth Borough Council considered the STP at a Special Council Meeting on 11th January 2017 passing the resolution shown at Appendix 3.

3.5 Further papers will be brought to Cabinet and Council should this be required.

Name of Meeting: Cabinet

Date Of Meeting: 6 February 2017

Subject Matter: Coventry and Warwickshire Sustainability and Transformation Plan (STP)

Originating Department: Executive Director

LIST OF BACKGROUND PAPERS

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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* There are no background papers relating to this item.

(*Delete if not applicable)

Appendix 1

COVENTRY & WARWICKSHIRE
Health & Wellbeing Alliance Concordat

PRINCIPLES

- ***We will*** be bold, brave and challenging in the service of the people of Coventry and Warwickshire.
- ***We will*** align, share and pool resources, budgets and accountabilities where it improves outcomes for the public.
- ***We will*** focus on benefits to the public as a whole rather than organisational interests.
- ***We will*** take decisions that we know will impact on other parts of the system, only after we have talked to each other.
- ***We will*** streamline system governance to enable decisions to be taken at scale and pace.
- ***We will*** design a system that is easy for everyone to understand and use.

To achieve this we will work in alliance with each other operating with mutual respect and mutual accountability.

Signed on behalf of Coventry and Warwickshire's Health and Wellbeing Boards.

Cllr Isobel Seccombe
Chair of the Warwickshire Health and Wellbeing Board

Cllr Kamran Caan
Chair of the Coventry Health and Wellbeing Board

Appendix 2

County Council 13 December 2016

Item 4 - Coventry & Warwickshire STP

Resolved

1. That the Council believes that the approach used to develop the Coventry & Warwickshire Sustainability and Transformation Plan (STP) has been opaque and veiled in secrecy. Given how critical this Plan is to the future provision of Health and Social Care Services and the future of our local hospitals in Warwickshire, the Council urgently requests that more time is allowed for full and proper public consultation and seeks assurances that all plans for the future of the NHS are developed openly and with full involvement of the users of the service.

2. That, consequently, the Council

(i) Agrees that it will not consider signing up to the Coventry and Warwickshire Sustainability and Transformation Plan published on 6th December until:

a) There has been full public engagement;
b) It has been co-produced along with the Health and Wellbeing Boards of both Warwickshire County Council and Coventry City Council; and
c) It is rewritten in language which is accessible to the public

(ii) Expects that the STP in its next stage moves to a transformational level and that an independent chair is appointed to ensure the necessary challenge;

(iii) Expects that the original intent of the STP around the integration of the health and social care systems is progressed in a way which recognises the crucial role played by social care;

(iii) Expects that the STP workstreams will recognise local and easy access to services by the whole population of Warwickshire and Coventry as a fundamental principle; and

(iv) Establishes a cross party scrutiny group to consider the STP.

Appendix 3

Agenda Item 5

Nuneaton and Bedworth Borough Council

Report to: Council
Date: January 11th 2017
Subject: Sustainability and Transformation Plan

Resolved

1. That this Council does not support or endorse the Coventry and Warwickshire STP due to:

   a) The potential loss of health related services in Nuneaton and Bedworth;

   b) The uncertainty of the overall consultation process; and

   c) The lack of clarity and detail around all the services identified in the STP and the lack of clarity of expected outcomes.

2. That this Council opposes all proposals that diminish services to the residents of Nuneaton and Bedworth, especially those relating to Accident and Emergency, Maternity, Paediatrics, Cancer and Stroke; and any proposals that will have consequential effects on other services, for example the downgrading of Accident and Emergency departments, leading to the closure of the Intensive Care Unit.

3. That this Council opposes any intent to reduce any health related services in Nuneaton and Bedworth outside of hospital services. For example Public Health, General Practitioners or Health Centres.

4. That this Council emphasise that the Government has a duty of care to the residents of Nuneaton and Bedworth, and the country as a whole, to provide a free, at the point of contact, National Health Service (NHS) that meets the needs of all people; recognising that as a country we already spend less GDP on health provision than most other European countries. The Council therefore reinforce that the Government has a duty to consult the nation, using any method they deem appropriate, on the costs of maintaining the NHS before making additional, damaging cuts to current services.

5. That, notwithstanding the Council's position on the above recommendations, it be noted that the Council will participate in all discussions and negotiations regarding the Sustainable Transformation Plan in order to maintain the Council's position on the STP and any public meetings that may take place on separate elements of the STP.

Agenda No 12

AGENDA MANAGEMENT SHEET

Name of Meeting	Cabinet
Date of Meeting	6th February 2017
Report Title	Treasury Management Strategy 2017/18 – 2019/20
Portfolio	Corporate Resources
Ward Relevance	All Wards
Prior Consultation	Treasury Management Strategy 2016/17 – 2018/19 Cabinet 8th February 2016
Contact Officer	Mannie Ketley – Head of Corporate Resources and Chief Financial Officer, Tel: (01788) 533416
Report Subject to Call-in	Yes
Report En-Bloc	Yes
Forward Plan	Yes
Corporate Priorities	Council: actively seek revenue-generating opportunities and apply charges in order to meet our costs
Statutory/Policy Background	The Council's Treasury Management activities are strictly regulated by the Local Government Act 2003 and the CIPFA Code of Practice on Treasury Management.
Summary	The report sets out the expected treasury activities and shows the Council's treasury management indicators for 2017/18.
Risk Management Implications	There are no risk management implications arising from this report.
Financial Implications	The treasury management indicators are set to ensure that the Council is guided into making prudent decisions on treasury management activities.

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	1 : As this report complies with the Treasury Management Code of Practice, which was approved by Council, no other options have been considered.
Recommendation	IT BE RECOMMENDED TO COUNCIL THAT: (1) the Treasury Management Strategy for 2017/18 – 2019/20 be approved; and (2) the Prudential and Treasury Management indicators for 2017/18 – 2019/20 be approved.
Reasons for Recommendation	To comply with the Code of Practice

Agenda No 12

Cabinet – 6th February 2017

Treasury Management Strategy 2017/18 – 2019/20

Report of the Corporate Resources Portfolio Holder

Recommendation
IT BE RECOMMENDED TO COUNCIL THAT:

(1) the Treasury Management Strategy for 2017/18 – 2019/20 be approved; and
(2) the Prudential and Treasury Management indicators for 2017/18 – 2019/20 be approved.

1.1 INTRODUCTION

In February 2012 the Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2011 edition, which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance. The strategy for 2017/18 covers two main areas:

Capital issues
- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

1.2 THE CAPITAL PRUDENTIAL INDICATORS 2017/18 – 2019/20

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

Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members will be asked to formally approve the following forecasts at respective rent setting and Council tax setting Councils in February:

Capital expenditure £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	4,092	5,674	3,626	1,670	1,670
HRA	6,325	6,922	4,065	3,870	3,180
Total	**10,417**	**12,596**	**7,697**	**5,540**	**4,850**

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 borrowing need.

Capital expenditure £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund	4,092	5,674	3,626	1,670	1,670
HRA	6,325	6,922	4,065	3,870	3,180
Total	**10,417**	**12,596**	**7,697**	**5,540**	**4,850**
Financed by:					
Capital receipts	383	210	506	506	506
Capital grants	1,394	708	803	543	543
Capital reserves	5,076	5,695	2,143	2,035	1,346
Revenue	1,112	1,105	1,493	1,397	1,397
Net financing need for the year	**2,452**	**4,878**	**2,752**	**1,059**	**1,058**

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR. The Council is asked to approve the CFR projections below:

£'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Capital Financing Requirement					
CFR – General Fund	23,496	27,159	28,128	27,247	26,246
CFR – HRA	68,007	61,907	56,826	52,075	47,652
Total CFR	**91,503**	**89,066**	**84,954**	**79,322**	**73,898**
Movement in CFR	**1,478**	**-2,437**	**-4,112**	**-5,632**	**-5,424**

Movement in CFR represented by					
Net financing need for the year (above)	2,452	4,878	**2,752**	**1,059**	**1,058**
Less MRP/VRP and other financing movements	974	7,315	6,864	6,691	6,482
Movement in CFR	**1,478**	**-2,437**	**-4,112**	**-5,632**	**-5,424**

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

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.

For authorities, such as Rugby Borough Council, which participate in the Local Authority Mortgage Scheme (LAMS) using the cash- backed option; the mortgage lenders require a 5 year cash advance from the local authority to match the 5 year life of the indemnity. The cash advance placed with the mortgage lender provides an integral part of the mortgage lending, and should therefore be treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (5 year) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The position is reviewed on an annual basis.

Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
General Fund balances	1,867	2,343	2,343	2,343	2,343
HRA Revenue balances (inc Major Repairs Allowance)	6,667	2,160	3,904	5,743	8,369
Capital receipts reserve#	6,126	7,276	8,426	10,576	11,726
Capital grants unapplied	709	709	709	709	709
Earmarked reserves / other balances	21,264	19,584	17,904	16,224	14,544
Total core funds	**37,046**	**32,072**	**33,286**	**35,595**	**37,691**
Working capital*	332	500	500	500	500
Under (-) /over borrowing (see page 8)	5,411	9,948	-833	-22,801	-27,377
Expected investments	**42,789**	**42,520**	**32,953**	**13,294**	**10,814**

*Working capital balances shown are estimated as at year end; these may be higher mid-year

The Local Government Finance Act 2003 prohibits the use of capital resources to fund revenue expenditure

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

Ratio of financing costs to net revenue stream
This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure (as per Section 1.2) by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

%	**2015/16 Actual**	**2016/17 Estimate**	**2017/18 Estimate**	**2018/19 Estimate**	**2019/20 Estimate**
General Fund	11	12	15	14	14
HRA	7	46	37	35	35

The estimates of financing costs include current commitments and the proposals in the 2017/18 General Fund and HRA budget reports.

General Fund

Funding the current and proposed capital programme will take up an increasing proportion of the Council's General Fund finances over the medium term, rising to 14% of the revenue budget by 2017/18 or 1.75 times more than in 2014/15.

HRA

The higher ratio of financing costs within the HRA reflects the HRA business plan strategy to repay debt associated with the self-financing settlement of 2012/13. The fall in ratio estimated in 2015/16 reflects the decision to divert resources to fund capital expenditure in that year. These estimates may change as a result of decisions arising in the 2016/17 rent setting report to commence debt restructuring in the light of changing rent limits.

Estimate of the incremental (additional year-on-year) impact of capital investment decisions on council tax
This indicator identifies the revenue costs associated with proposed changes to the three year capital programme to be presented to Council compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	**2015/16 Actual**	**2016/17 Estimate**	**2017/18 Estimate**	**2018/19 Estimate**	**2019/20 Estimate**
Council tax - band D	3.01	0.80	0.70	-1.11	-5.14

The reduction in the incremental impact on Band D Council tax from 2015/16 onwards reflects the forecast increase in investment returns relative to the increase in borrowing interest costs during that period.

Estimates of the incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

£	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Weekly housing rent levels	-32.12	34.91	-8.41	-2.16	-0.26

The movement in the incremental impact on housing rent levels within the HRA reflects the scheduling within the HRA business plan strategy to repay debt associated with the self-financing settlement of 2012/13. The movement between 2015/16 and 2016/17 in particular shows the impact upon rents of diverting resources from debt repayment in 2014/15 to contributions towards capital expenditure in 2015/16 and back to debt repayment in 2016/17. Subsequent decreases reflect debt restructuring which is forecast in light of the government policy to reduce rents by 1% per annum until 2019/20.

1.3 BORROWING

The capital expenditure plans set out in Section 1.2 provide a summary of the draft General Fund and HRA capital programmes. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

The Council's treasury portfolio position at 31 March 2015, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
External Debt					
Debt at 1 April	90,221	96,914	98,321	84,121	56,521
Expected change in Debt	6.693	2,100	-14,200	-27,600	-10,000
Actual gross debt at 31 March	**96,914**	**99,014**	**84,121**	**56,521**	**46,521**
The Capital Financing Requirement (CFR)	**91,503**	**89,066**	**84,954**	**79,322**	**73,898**
Under / (over) borrowing	**-5,411**	**-9,948**	**833**	**22,801**	**27,377**

The Council plans to move to an under-borrowed position over the period of the medium term financial plan through the use of internal resources, subject to interest rate movements and re-financing opportunities. More details are contained within the Borrowing Strategy section of this report on page 9.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

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

Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	101,000	101,000	91,000	86,000
Other long term liabilities	0	0	0	0
Total	101,000	101,000	91,000	86,000

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

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

Authorised limit £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Debt	111,000	111,000	101,000	96,000
Other long term liabilities	0	0	0	0
Total	111,000	111,000	101,000	96,000

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
HRA debt cap	83,342	83,342	83,342	83,342
HRA CFR	61,907	56,826	52,075	47,652
HRA headroom	**21,435**	**26,516**	**31,267**	**35,690**

Prospects for interest rates

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

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2017	0.25	1.60	2.90	2.70
Jun 2017	0.25	1.60	2.90	2.70
Sep 2017	0.25	1.60	2.90	2.70
Dec 2017	0.25	1.60	3.00	2.80
Mar 2018	0.25	1.70	3.00	2.80
Jun 2018	0.25	1.70	3.00	2.80
Sep 2018	0.25	1.70	3.10	2.90
Dec 2018	0.25	1.80	3.10	2.90
Mar 2019	0.25	1.80	3.20	3.00
Jun 2019	0.50	1.90	3.20	3.00
Sep 2019	0.50	1.90	3.30	3.10
Dec 2019	0.75	2.00	3.30	3.10
Mar 2020	0.75	2.00	3.40	3.10

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.

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 2017/18 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.

Treasury management limits on activity

There are three debt- related treasury activity limits. Their purpose is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates; and
- Maturity structure of borrowing. These gross limits are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

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

£’000	**2017/18**	**2018/19**	**2019/20**
Interest rate exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	111,000	101,000	96,000
Limits on variable interest rates based on net debt	0	0	0

The limit on variable interest rates means that the level of borrowing undertaken at variable rates at any point cannot exceed that of investments.

Maturity structure of fixed interest rate borrowing		
	Lower	**Upper**
Under 12 months	0%	20%
12 months to 2 years	0%	30%
2 years to 5 years	0%	60%
5 years to 10 years	0%	60%
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%

The table outlines the limits for consideration regarding maturities when additional borrowing or refinancing is undertaken in year and is designed to protect the Council from exposure to refinancing risk in the future.

Policy on borrowing in advance of need

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

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

Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

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

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

All rescheduling will be reported to Council at the earliest meeting following its action.

1.4 INVESTMENTS

Investment /Creditworthiness policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). <u>The Council's investment priorities will be security first, liquidity second and then return.</u>

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has clearly stipulated in Appendix A the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in **Appendix A** under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set to £5m per institution and limited to £5m per financial group (e.g. RBS Group, Lloyds Banking Group).

Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

Investment strategy

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

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.25% before starting to rise gradually from quarter 2 of 2019. Bank Rate forecasts for financial year ends (March) are:

- 2017/18 0.25%
- 2018/19 0.25%
- 2019/20 0.75%

The overall balance of risks to these forecasts is currently probably slightly skewed to the downside in view of the uncertainty over the final terms of Brexit. If growth expectations disappoint and inflationary pressures are minimal, the start of increases in Bank Rate could be pushed back. On the other hand, should the pace of growth quicken and / or forecasts for increases in inflation rise, there could be an upside risk i.e. Bank Rate increases occur earlier and / or at a quicker pace.

The budgeted investment earnings rates for returns on the Council's portfolio (including historic investments yet to mature) during each financial year for the next four years are as follows:

- 2017/18 0.31%
- 2018/19 0.35%
- 2019/20 0.73%
- 2020/21 0.98%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£m	**2017/18**	**2018/19**	**2019/20**
Principal sums invested > 364 days	£20m	£20m	£20m

For its cash flow generated balances, the Council will seek to utilise its business reserve, instant access and notice accounts, money market funds and short-dated deposits (overnight to100 days) in order to benefit from the compounding of interest.

Investment risk benchmarking

To measure the security of its portfolio, the council compares 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)

<u>Liquidity: cash available within one week</u>

The Council has adopted a voluntary measure of its ability to access cash at short notice by monitoring the amount of cash available to meet unexpected payments. The target of £2m is calculated with reference to cash flow requirements.

End of year investment report

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

Treasury Management Advisors

The Council's treasury management adviser is Capita Asset Services. They provide advice and information on the Council's investment and borrowing activities, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is regularly monitored via internal appraisal and benchmarking with other local authority experience. The contract with Capita Asset Services will conclude in October 2017 and options for the continuation of treasury management advisory services will be reviewed prior to this deadline.

Investment training

The needs of the Council's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and training opportunities are provided to ensure the team has an appropriate level of knowledge commensurate to the tasks it is required to carry out.

Policy on charging interest to the Housing Revenue Account

On 1st April 2012, the Council notionally split each of its existing long-term loans into two pools in proportion to the relative underlying need to borrow of the General Fund and HRA (as measured by the capital financing requirement excluding other long-term liabilities). In the future, new long-term loans borrowed will be assigned in their entirety to either the General Fund or the HRA pool. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be divided accordingly.

Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the monthly net average rate earned by the Council on its portfolios of treasury investments and short-term borrowing.

Other Options Considered

The CLG Investment Guidance and the CIPFA Code of Practice do not prescribe any particular treasury management strategy for local authorities to adopt. 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

The Head of Corporate Resources and Chief Financial Officer believes that the strategy contained within this report represents an appropriate balance between risk management and cost effectiveness.

Name of Meeting: Cabinet

Date Of Meeting: 6th February 2017

Subject Matter: Treasury Management Strategy 2017/18 – 2019/20

Originating Department: Resources

LIST OF BACKGROUND PAPERS

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

There are no background papers relating to this item.

APPENDIX A

SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

	Minimum Credit Criteria	Maximum Limit
Specified Invesatments (limit per counterparty)		
UK Government	-	Unlimited
Local Authorities	-	£5m
Money Market Funds	AAA	Unlimited
Pooled Fund / Institution	AAA/A1	Unlimited

All investments with maturities up to 1 year, high credit criteria:			
	Minimum Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Debt Management Agency Deposit Facility	-	Unlimited	1 year
Term deposits – local authorities and other public instiutions	-	£5m	1 year

Term deposits with nationalised banks and building socieities:			
	Minimum Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
UK part nationalised banks	UK Sovereign rating	£5m	1 year
Banks part nationalised by high credit rated countries UK and non UK*	UK Sovereign rating	£5m	1 year
The countries approved for investing with their banks: Canada, Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Singapore, Sweden, Switzerland, UK,Australia, Belgium, Hong Kong, USA, Abu Dhabi (UAE), Qatar			

Other instruments:			
	Minimum Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Collateralised deposit	UK Sovereign rating	£5m	1 year
Certificates of deposits issued by banks and building societies	UK Sovereign rating	£5m	1 year
UK Government Gilts	UK Sovereign rating	Unlimited	1 year
Bonds issued by multilateral development banks	Long term AA	£5m	1 year
Treasury Bills	UK Sovereign rating	Unlimited	1 year

Collective Investment Schemes structures as Open Ended Investment Companies (OEICs):			
	Minimum Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Government Liquidity Funds	Long Term AA	£5m	1 year
Money Market Funds	Variable NAV Long Term AA	£5m	1 year
Money Market Funds	Stable NAV Long Term AA	£5m	1 year
Enhanced Cash Funds	Long Term AA	£5m	1 year
Bonds Funds	Long Term AA	£5m	1 year
Gilt Funds	Long Term AA	£5m	1 year

NON-SPECIFIED INVESTMENTS (MATURITIES OVER ONE YEAR)

These are any investments which do not meet the specified investment criteria. A maximum of £20 million will be held in aggregate in non-specified investment.

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

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

Term deposits with nationalised banks and building societies:			
	Minimum 'High* Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
UK part nationalised banks	UK Sovereign rating	£5m	5 year
Banks part nationalised by high credit rating (sovereign rating) countries UK and non UK*	Sovereign rating A	£5m	5 year
The countries approved for investing with their banks: Canada, Denmark, Finland, France, Germany, Luxembourg, Netherlands, Norway, Singapore, Sweden, Switzerland, UK,Australia, Belgium, Hong Kong, USA, Abu Dhabi (UAE), Qatar			

Maturities of any period:			
	Minimum 'High* Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Structured deposits	In accordance with Capita's Credit Worthiness Criteria	£5m	5 years
Municipal Bonds	UK sovereign rating	£5m	5 years
Commercial Paper	Short term F2 Long term A	£5m	5 years
Corporate Bonds / Corporate Bond Funds / Gilt Funds	Short term F2 Long term A	£5m	5 years
Floating Rate Notes	Long Term A	£5m	5 years
Covered Bonds	Long Term AA-	£5m	10 years
Un-rated Bonds	Internal due diligence	£5m	10 years
CCLA Property Fund	Non-rated internal due diligence	£2m	10 years
CCLA Diversified Income Fund	Non-rated internal due diligence	£2m	10 years
Property Funds	Non-rated internal due diligence	£2m per fund	10 years

Maturities in excess of 1 year:			
	Minimum 'High* Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Term deposits – local authoties and other public institutions	-	£5m	5 years
Certificates of deposits issued by banks and building socieities	UK sovereign rating	£5m	5 years
UK Government Gilts		Unlimited	5 years
Bonds issued by multilateral development banks	AA	£5m	5 years
Corporate Bonds	Short Term F2 Long Term A-	£5m	10 years
Green Energy Bonds	Internal Due Diligence	£5m	10 years
Collateralised Term Deposit	Local Authority	£5m	5 years
Soveriegn Bond Issues (i.e. other than the UK governenment)	AA	£5m	5 years
Property Bonds	Non-rated internal due diligence	£5m per bond	5 years

Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):			
	Minimum ‘High* Credit Criteria	**Maximum Limit**	**Maximum Maturity Period**
Bond Funds	AA	£5m	5 years
Gilt Funds	AA	£5m	5 years

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

Agenda No 13

AGENDA MANAGEMENT SHEET

Report Title:	Approval of National Non-Domestic Rates Return – NNDR1 2017/18
Name of Committee:	Cabinet
Date:	6th February 2017
Report Director:	Head of Corporate Resources and Chief Financial Officer
Portfolio:	Corporate Resources
Ward Relevance:	All Wards
Prior Consultation:	None
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 priorities: **PEOPLE** - Support wider participation in decision making and help communities to deliver services. **PEOPLE** - Facilitate the provision and upkeep of good quality housing to meet local needs and to cater for the growth of Rugby. **PEOPLE** - Provide leisure facilities and support independent and healthy living. **PEOPLE** - Work with partners to reduce crime and antisocial behaviour. **PEOPLE** - Provide safe and attractive streets. **BUSINESS** - Actively encourage parish

councils and community bodies in neighbourhood development planning.
BUSINESS - Establish an environment that will attract new businesses into the borough and enable existing businesses to flourish.
BUSINESS - Support training in new technologies and promote apprenticeship opportunities.
BUSINESS - Work with developers to provide new housing and infrastructure.
BUSINESS - Facilitate the expansion of Rugby town by identifying and removing barriers to growth.
ENVIRONMENT - Promote the highest standards of sustainability.
ENVIRONMENT - Actively progress energy-saving initiatives within the council and by residents and businesses.
ENVIRONMENT - Provide new burial and cremation facilities.
ENVIRONMENT - Increase biodiversity across the borough.
ENVIRONMENT - Promote and maintain high levels of waste recycling.
ENVIRONMENT - Minimise the impact of litter and fly tipping.
COUNCIL - Increase the availability of information that will help residents and businesses.
COUNCIL - Engage in partnerships to meet local needs, reduce costs and increase efficiency.
COUNCIL - Actively seek revenue-generating opportunities and apply charges in order to meet our costs.
COUNCIL - Improve service delivery via customer-focused reviews and the development of our staff.

Statutory / Policy Background:

The Non-Domestic Rating (Rates Retention) Regulations 2013 require billing authorities to notify the Secretary of State and their major precepting authorities of their calculation of non-domestic rating income for 2017/18 and their estimate of the 2016/17 surplus or deficit on the Collection Fund by Tuesday 31 January 2017.

Summary:	The NNDR1 form provides authorities with a tool by which they can calculate their non-domestic rating income for 2017/18 and estimate the surplus or deficit on the collection fund for 2016/17. These calculations determine the shares to be paid to central government and major preceptors during the course of 2017/18 and the amount of General Fund business rates income to be included in the 2017/18 budget.
Financial Implications:	As detailed in the 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 Tuesday 31 January 2017.
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:	
Recommendation:	The National Non-Domestic Rates Return – NNDR1 2017/18 be approved.
Reasons for Recommendation:	A billing authority is required to complete the NNDR1 and submit it to both the Secretary of State and major precepting authorities by Tuesday 31 January 2017.

Agenda No 13

Cabinet - 6th February 2017

Non Domestic Rating Income - Approval of NNDR1 Return 2017/18

Report of the Head of Corporate Resources and Chief Financial Officer

Recommendation
The National Non-Domestic Rates Return – NNDR1 2017/18 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 course of 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 2017/18.

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 2016/17 NNDR1. The difference between original forecast and estimated 2016/17 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 2017/18 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 Tuesday 31 January 2017. By agreement with DCLG this deadline has been extended in order 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. Revaluation

The Valuation Office Agency (VOA) has issued a new 2017 rating list with new rateable values for every non-domestic property in England and Wales. The last revaluation was in 2010 and so this new rating list shows how the economy – and underlying business rents, on which rateable values are based – have changed over the past 6 years. Valuation data is based on rentals on 1 April 2015 for every property on VOA's list in early August 2016.

The rateable values from the 2017 rating list will be used from April 2017. It is intended that the direct on impact on local authorities is neutral. For 2017/18, the new rateable values will change the top-up or tariff for every local authority in England. An authority's top-up or tariff will be adjusted by a formula, to bring it in line with the change in yield that results from the new rateable values.

DCLG are to keep this methodology under review in order to allow scope for further adjustments to be made in 2018/19, to account for any significant issues of unfairness.

4. NNDR1 2017-18 (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 in order to complete the budget process. It is also is designed determine the payments that need to be made to central government and major precepting authorities during the course of the year, and the transfer that billing authorities make to their General Fund.

The form is separated into four key parts to achieve all of the above.

4.1. 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 16 of the form shows that the Rugby Borough Council is forecasting to retain **£18.1m** of business rates in 2017/18. After the 2017/18 tariff payment of **£12.5m** it will leave the Council with net retained income, before levy payments and section 31 grant income, of approximately **£5.6m**.

4.2. 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".

4.3. 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 6 below.

4.4. Part 4

This part of the form provides for the authority's estimate of the surplus, or deficit that will exist on the Collection Fund at the end of the 2016/17 financial year. The surplus/deficit will be shared between Rugby Borough Council, Central Government and WCC, by adjusting each party's share of the 2017/18 non-domestic rating income.

The estimate at Part 4 is based on actual figures from the Civica Revenues system as at 15 January 2017, forecast to year-end. This is adjusted for any change in provisions that the authority anticipates making in the 2016/17 accounts in respect of repayments made to business rate payers during the course of the year.

Part 4 shows that that estimated surplus for 2016/17 is **£0.61m.** This is transferred to Part 1 Line 25, where it is shared between the parties to the scheme. Rugby Borough Council's share is **£0.24m**.

5. Amounts Retained and Budgetary Impact

After taking account of a **£1.9m** levy payment to central government, plus section 31 grant income of **£0.6m** plus **£0.2m** estimated benefit of Business Rates Pooling, the Council's 2017/18 local share of business rates is **£4.5m** and also the **£0.24m** estimated 2016/17 surplus on the collection fund is incorporated in the Draft General Fund Revenue & Capital Budget 2017/18 report presented elsewhere on this Cabinet agenda.

6. 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. For 2017/18, this should be the new rateable values which are to be used to calculate business rate bills from 1 April 2017. The Council has taken account of the latest version of valuations produced by the VOA as at 31 December 2016.

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 2017/18. The authority's estimated growth for 2017/18 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 at Elliott's Field Phase 2, Junction 1 expansion, Ryton, Ansty Park and the Gateway site.

The impact of reliefs are 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 2017/18 is expected to be written off as a bad debt during 2017/18 or subsequent years.

2. An estimate of how much of the nets rates payable in respect of 2017/18 liability they would have to repay to ratepayers as a result of reductions in Rateable Values following successful appeals or alterations to lists.

The 2017/18 multiplier has taken into account an estimate of national appeals losses (4.7%). This is to anticipate future appeals and has the effect of increasing the multiplier and so in effect we 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. Authorities need to make a provision at the start of the 2017 rating list to reflect all expected appeals. From historic appeals data the level of appeals in Rugby is at least as high as the national average. Therefore, a factor of 4.7% on gross rates has been used to estimate appeal losses for 2017/18.

The Council has already included a provision in the 2015/16 accounts in respect of such repayments that might have to be made in respect of years before 2015/16. This provision will need to be adjusted in the 2016/17 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.

Existing outstanding appeals data from the VOA is filtered into an a externally produced model which takes into account various factors such as; the type of appeal and type of property, together with its geographical location and the probability of appeal success. The model considers these factors to produce an estimate of the reduction in business rate income.

6. Conclusion

The NNDR1 return, as presented at Appendix 1, effectively sets the Council's Retained Business Rates income budget for 2017/18. 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:
6th February 2017

Subject Matter:
Non Domestic Rating Income - Approval of NNDR1 Return 2017/18

Originating Department:

List of Background Papers

Document No.	Date	Description of Document	Officer's Reference	File Reference
1.				

* 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.

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* Exempt information is contained in the following documents:

Document No. Relevant Paragraph of Schedule 12A

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* There are no background papers relating to this item.

(*Delete if not applicable)

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than **31 January 2017.**
In addition, a certified copy of the form should be returned by no later than **31 January 2017** to the same email address

All figures must be entered in whole £

Please check the validation tabs and supply answers to the validation queries that require a comment

Select your local authority's name from this list: Rossendale / Rother / Rotherham / Rugby / Runnymede / Rushcliffe

Authority Name	Rugby
E-code	E3733
Local authority contact name	Chryssa Burdett
Local authority contact number	01788 533495
Local authority e-mail address	chryssa.burdett@rugby.gov.uk

Ver 1

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	47,596,134
TRANSITIONAL PROTECTION PAYMENTS	
2. Sums due to the authority	0
3. Sums due from the authority	2,272,397
COST OF COLLECTION (See Note A)	
4. Cost of collection formula	135,863
5. Legal costs	0
6. Allowance for cost of collection	135,863
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)	0
of which:	
10. sums retained by billing authority	0
11. sums retained by major precepting authority	0
NON-DOMESTIC RATING INCOME	
12. Line 1 plus line 2, minus lines 3 and 6 - 9	45,187,874

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

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All figures must be entered in whole £

Please check the validation tabs and supply answers to the validation queries that require a comment

Local Authority : Rugby

Ver 1.00

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 **2017-18** 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 NNDR shares	£	£	£	£	£
13. % of non-domestic rating income to be allocated to each authority in 2017-18	50%	40%	10%	0%	100%
Non-Domestic Rating Income for 2017-18					
14. Non-domestic rating income from rates retention scheme	22,593,937	18,075,150	4,518,787	0	45,187,874
15.(less) deductions from central share	0	0	0	0	0
16 **TOTAL:**	22,593,937	18,075,150	4,518,787	0	45,187,874
Other Income for 2017-18					
17. add: cost of collection allowance		135,863			135,863
18. add: amounts retained in respect of Designated Areas		0			0
19. add: amounts retained in respect of renewable energy schemes		0	0		0
20. add: qualifying relief in Enterprise Zones		0	0	0	0
21. add: City of London Offset		0			0
22. add: additional retained Growth in Pilot Areas		0	0	0	0
23. add: in respect of Port of Bristol hereditament		0			0
Estimated Surplus/Deficit on Collection Fund	£	£	£	£	£
24. % of non-domestic rating income to be allocated to each authority in 2016-17 (for row 25)	50%	40%	10%	0%	100%
25. Estimated Surplus/Deficit at end of 2016-17	300,785	240,628	60,157	0	601,570
TOTAL FOR THE YEAR	£	£	£	£	£
26. Total amount due to authorities	22,894,722	18,451,641	4,578,944	0	45,925,307

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NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than **31 January 2017.**
In addition, a certified copy of the form should be returned by no later than **31 January 2017** to the same email address

All figures must be entered in whole £

Please check the validation tabs and supply answers to the validation queries that require a comment

Local Authority : Rugby Ver 1.00

PART 1C: SECTION 31 GRANT (See Note C)
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, 2014 & 2015 Autumn Statements

	Column 2 **Rugby**	Column 3 **Warwickshire County Council**	Column 4	Column 5 **Total**
2015-16 Multiplier Cap	£	£	£	£
27. Cost of 2% cap on 2015-16 small business rates multiplier	271,515	67,879	0	339,394
Small Business Rate Relief				
28. Cost of doubling SBRR & threshold changes for 2017-18	561,233	140,308	0	701,541
29. Cost to authorities of maintaining relief on "first" property	0	0	0	0
"New Empty" Property Relief				
30. Cost to authorities of giving relief to newly-built empty property	0	0	0	0
"Long Term Empty" Property Relief				
31. Relief on occupation of "long-term empty" property	2,620	655	0	3,275
Rural Rate Relief				
32. Cost to authorities of providing 100% rural rate relief	3,597	899	0	4,496
Local Newspaper Temporary Relief				
33. Cost to authorities of providing relief	1,218	305	0	1,523
Enterprise Zone qualifying relief in 100% pilot areas				
34. Amount of qualifying relief	0	0	0	0
TOTAL FOR THE YEAR	£	£	£	£
35. Amount of Section 31 grant due to authorities to compensate for reliefs	840,183	210,046	0	1,050,229

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 35, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 35)

Certificate of Chief Financial Officer / Section 151 Officer

There are a number of validation questions that require an answer. Please complete the main validation sheet

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
2017-18

All figures must be entered in whole £

Please check the Validation tab and answer the validation queries that need to be answered

Ver 1

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)	£	£	£
1. Rateable Value at 31/12/2016	115,902,995	0	115,902,995
2. Small business rating multiplier for 2017-18 (pence) 46.6			
3. Gross rates 2017-18 (RV x multiplier)	54,010,796	0	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	2,431,426	0	
5. Forecast gross rates payable in 2017-18	56,442,222	0	56,442,222
TRANSITIONAL ARRANGEMENTS (See Note E)			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	-1,310,204	0	-1,310,204
7. Additional income received because reductions in rates have been deferred (Show as +ve)	3,582,601	0	3,582,601
8. Net cost of transitional arrangements	2,272,397	0	
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	0	0	
10. Forecast net cost of transitional arrangements	2,272,397	0	2,272,397
TRANSITIONAL PROTECTION PAYMENTS (See Note F)			
11. Sum due to/(from) authority	-2,272,397	0	-2,272,397
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 2017-18	-2,764,634	0	-2,764,634
13. of which: relief on existing properties where a 2nd property is occupied	0	0	0
14. Additional yield from the small business supplement (Show as +ve)	1,171,928	0	1,171,928
15. Net cost of small business rate relief (line 12 + line 14)	-1,592,706	0	-1,592,706
Charitable occupation			
16. Forecast of relief to be provided in 2017-18	-3,197,529	0	-3,197,529
Community Amateur Sports Clubs (CASCs)			
17. Forecast of relief to be provided in 2017-18	-72,835	0	-72,835
Rural rate relief			
18. Forecast of relief to be provided in 2017-18	-8,858	0	-8,858

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

All figures must be entered in whole £

Please check the Validation tab and answer the validation queries that need to be answered

Ver 1

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 2017-18 (Sum of lines 15 to 18)	-4,871,928	0	
20. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	-1,067,830	0	
21. Total forecast mandatory reliefs to be provided in 2017-18	-5,939,758	0	-5,939,758
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 2017-18	-200,000	0	-200,000
Empty premises			
23. Forecast of 'relief' to be provided in 2017-18	-2,000,000	0	-2,000,000
24. Forecast of unoccupied property 'relief' to be provided in 2017-18 (Line 22 + line 23)	-2,200,000	0	
25. Changes as a result of estimated growth/decline in unoccupied property 'relief' (+ = decline, - = increase)	0	0	
26. Total forecast unoccupied property 'relief' to be provided in 2017-18	-2,200,000	0	-2,200,000
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 2017-18	-98,946	0	-98,946
Non-profit making bodies			
28. Forecast of relief to be provided in 2017-18	-8,689	0	-8,689
Community Amateur Sports Clubs (CASCs)			
29. Forecast of relief to be provided in 2017-18	0	0	0
Rural shops etc			
30. Forecast of relief to be provided in 2017-18	0	0	0
Small rural businesses			
31. Forecast of relief to be provided in 2017-18	0	0	0
Other ratepayers			
32. Forecast of relief to be provided in 2017-18	0	0	0
	of which:	*of which:*	
33. Relief given to Case A hereditaments		0	
34. Relief given to Case B hereditaments	0		

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

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Ver 1

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 2017-18 (Sum of lines 27 to 32)	-107,635	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 2017-18	-107,635	0	-107,635
DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT (See Note K) (All data should be entered as -ve unless specified otherwise)			
"New Empty" properties			
38. Forecast of relief to be provided in 2017-18	0	0	0
"Long term empty" properties			
39. Forecast of relief to be provided in 2017-18	-6,454	0	-6,454
Rural Rate Relief			
40. Forecast of relief to be provided in 2017-18	-8,858	0	-8,858
Local Newspaper Temporary Relief			
41. Forecast of relief to be provided in 2017-18	-3,000	0	-3,000
42. Forecast of discretionary reliefs funded through S31 grant to be provided in 2017-18 (Sum of lines 38 to 41)	-18,312	0	
43. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	0	0	
44. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2017-18	-18,312	0	-18,312
NET RATES PAYABLE	£	£	£
45. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	50,448,914	0	50,448,914

Checked by Chief Financial / Section 151 Officer :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

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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**	**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	**50,448,914**	**0**	**50,448,914**
(LESS) LOSSES			
2. Estimated bad debts in respect of 2017-18 rates payable	**-200,000**	**0**	**-200,000**
3. Estimated repayments in respect of 2017-18 rates payable	**-2,652,780**	**0**	**-2,652,780**
COLLECTABLE RATES			
4. Net Rates payable less losses	**47,596,134**	**0**	**47,596,134**
DISREGARDED AMOUNTS			
5. Renewable Energy	**0**	**0**	**0**
6. Transitional Protection Payment		**0**	
7. Baseline		**0**	
DISREGARDED AMOUNTS			
8. Total Disregarded Amounts		**0**	**0**
ENTERPRISE ZONES IN 100% PILOT AREAS			
9. Enterprise Zone Qualifying Relief	**0**	**0**	**0**
DEDUCTIONS FROM CENTRAL SHARE			
10. Enterprise Zone Qualifying Relief	**0**	**0**	**0**
Growth Pilot Areas			
11. Net Rates payable for Growth Baseline comparison: Not applicable	**0**		**0**
12. Growth Baseline : Not applicable	**0**		**0**
13. Additional Growth in 'Growth Pilot' Areas: Not Applicable	**0**		**0**
Port of Bristol			
14. In respect of Port of Bristol: Not applicable	**0**		**0**
DEDUCTIONS FROM CENTRAL SHARE			
15. Total Deductions	**0**	**0**	**0**

Checked by Chief Financial / Section 151 Officer :

PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2017-18

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Ver 1

Local Authority : Rugby

PART 4: ESTIMATED COLLECTION FUND BALANCE

	£	£
OPENING BALANCE		
1. Opening Balance (From Collection Fund Statement)		-3,861,958
BUSINESS RATES CREDITS AND CHARGES		
2. Business rates credited and charged to the Collection Fund in 2016-17	49,233,119	
3. Sums written off in excess of the allowance for non-collection	0	
4. Changes to the allowance for non-collection	-64,622	
5. Amounts charged against the provision for appeals following RV list changes	456,880	
6. Changes to the provision for appeals	-1,290,288	
7. Total business rates credits and charges (Total lines 2 to 6)		48,335,089
OTHER RATES RETENTION SCHEME CREDITS		
8. Transitional protection payments received, or to be received in 2016-17	0	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2016-17 in respect of a previous year's deficit	3,705,455	
11. Total Other Credits (Total lines 8 to 10)		3,705,455
OTHER RATES RETENTION SCHEME CHARGES		
12. Transitional protection payments made, or to be made, in 2016-17		
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2016-17	-23,719,977	
14 Payments made, or to be made to, major precepting authorities in respect of business rates income in 2016-17	-4,743,995	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2016-17	-18,975,981	
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 2016-17	-137,063	
17. Transfers/payments from the Collection Fund for end-year reconciliations		
18. Transfers/payments made from the Collection Fund in 2016-17 in respect of a previous year's surplus		
19. Total Other Charges (Total lines 12 to 18)		-47,577,016

ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2016-17

	£
20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11 &19)	601,570

Checked by Chief Financial / Section 151 Officer :