

16th November 2016

## **CABINET – 28TH NOVEMBER 2016**

A meeting of Cabinet will be held at 5.30 pm on Monday 28th November 2016 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 31st October 2016.

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 22nd November 2016).

**Growth and Investment Portfolio**

Nothing to report to this meeting.

**Corporate Resources Portfolio**

5. Draft General Fund Revenue and Capital Budget 2017/18 and Medium Term Financial Plan 2017-20.
6. Finance and Performance Monitoring 2016/17 – Quarter 2.
7. Local Council Tax Reduction Scheme 2017/2018.

**Communities and Homes Portfolio**

8. Draft Housing Revenue Account Capital and Revenue Budgets 2017/18 and Medium Term Financial Plan 2017-21.
9. Contracts with charities 2017/19.
10. SLA grant funding for community associations (2017/18 and 2018/19) and one-off community grants (2017/18).
11. Control Centre Lifeline Service - Purchase of replacement hardware and software systems.

**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 Report 2016/17 – Progress Report.
13. Calendar of Meetings 2017/18.
14. Appointments to Outside Bodies – Miscellaneous Appointments.

**PART 2 – EXEMPT INFORMATION**

There is no business involving exempt information to be transacted.

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

The Reports of Officers (Ref. CAB 2016/17 – 6) 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](mailto: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**

<b>Name of Meeting</b>	Cabinet
<b>Date of Meeting</b>	28th November 2016
<b>Report Title</b>	Draft General Fund Revenue & Capital Budget 2017/18 and Medium Term Financial Plan 2017-20
<b>Portfolio</b>	All Portfolios
<b>Ward Relevance</b>	All Wards
<b>Prior Consultation</b>	Cabinet 31 <sup>st</sup> October 2016
<b>Contact Officer</b>	Mannie Ketley – Head of Corporate Resources and Chief Financial Officer Ext 3416
<b>Report Subject to Call-in</b>	Yes
<b>Report En-Bloc</b>	No
<b>Forward Plan</b>	Yes
<b>Corporate Priorities</b>	This report relates to all of the Council's priorities.
<b>Financial Implications</b>	As detailed within the report.
<b>Risk Management Implications</b>	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.
<b>Environmental Implications</b>	There are no Environmental implications arising from this report.
<b>Legal Implications</b>	There are no Legal implications arising from this report.
<b>Equality &amp; Diversity Implications</b>	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.

Cabinet – 28<sup>th</sup> November 2016

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 second report from the Head of Resources in her capacity as the Council's Chief Financial Officer.

The first budget report was presented to Cabinet on 31<sup>st</sup> October 2016 and the purpose of this report is to present an updated draft General Fund revenue position (see section 3), a capital position (see section 4) for 2017/18 and onwards, plus an updated Medium Term Financial Plan (see section 5), since the report to Cabinet in October.

Cabinet will further consider more detailed updates on the draft revenue and capital General Fund budgets right through to final budget setting and Council Tax determination at Full Council on 28<sup>th</sup> February 2017.

This report includes seven 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 an initial Medium Term Financial Plan 2017-20.
- **Appendix 7** shows the Council's response to the 2017/18 Local Government Finance technical consultation.

## **2. Budget Context**

### **2.1. Overview and Context**

The initial budget report to Cabinet in October presented a balanced draft 2017/18 budget and 2017-20 MTFP. However, this position was and remains 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 remain unadjusted within this budget report and as per recommendation 2 are set out for Cabinet's consideration at section 3.1.

Beyond these key decisions there have been some other changes to the budget since October, primarily relating to business rates and some service expenditure assumptions. The remaining content in this section of the report sets out these changes and other items of note since the October report.

### **2.2. Business Rates**

The 2017 ratings list was released on 30<sup>th</sup> September 2016 with a national average increase of approximately 9.1% compared to the 2010 list, whilst for Rugby rateable values have increased by 1.5% over the period. This change shows how the economy and underlying business rents, on which rateable values are based have changed over the past six years. It should be noted there was significant regional variation within this national average, with London experiencing a gain of 22.8% compared to a 2.9% increase across the West Midlands and reductions in the North.

In November the new business rate multiplier was released for 2017/18, which ensures that on a national scale the total business rates bill across the country remains the same before and after the revaluation. It is worth noting that this multiplier does allow for estimated future rateable value reductions resulting from successful appeals against the new revaluations, which is intended to provide protection for the local government sector from the loss of income from appeals.

On the 28<sup>th</sup> October 2016 the Council provided a response to the local government finance settlement 2017/18 technical consultation, as shown at Appendix 7. Within the consultation the government has again reconfirmed its commitment to ensure that, as far as is practically possible, each local authority's retained income will not be affected by the revaluation. In simple terms, it is proposed to achieve this by adjusting the tariff and top-up payments, which local government make to and receive from central government, by the proportion that each authority's gross rates payable has changed due to the revaluation.

The methodology the government is proposing to achieve this is reasonable and the Council welcomes the proposal to mitigate the effect of revaluations as far as practically possible. However, there are some weaknesses in the methodology, particularly relating to the treatment of reliefs and appeals, which may impact on the ability to achieve fiscal neutrality for each authority.

The business rates forecasts contained within the draft budget and MTFP have been updated to accommodate the above announcements. Officers have taken advice from the CIPFA Funding Advisory Service and also worked in partnership with colleagues from Warwickshire County Council in order to factor the latest rating information into our business rates forecasts and also model what the Council's expected tariff payments will be for 2017/18. The actual tariff payments will be published in the provisional 2017/18 local government finance settlement, which should be announced in December 2016.

For 2017/18 the Council will remain in the Coventry & Warwickshire Business Rates Pool. Across the pool region this arrangement is anticipated to provide a total benefit for all the partners of £1.75m, with Rugby's share estimated to be £300,000.

Therefore, compared to the October report, the budget for retained business rates has increased by £100,000. At this stage, it is proposed that this surplus be transferred to the Business Rates Equalisation reserve until the Council's actual tariff payment is announced and more precise estimates of the appeal provision requirement is determined.

In addition, further changes will continue to be made throughout the budget setting process as estimates for growth in the business rates base are refined.

### **2.3. Autumn Statement and Finance Settlement**

The Chancellor of the Exchequer, Philip Hammond presented his first Autumn Statement to Parliament on 23<sup>rd</sup> November 2016. This budget report was dispatched in advance of the statement and therefore any announcements with direct implications for local government have not been incorporated into this report. If there are any such announcements for which the implications for Rugby Borough can be identified then an update will be provided at the meeting by the Head of Corporate Resources.

As mentioned above the Council has provided a response to the 2017/18 Local Government Financial technical consultation, within in which the government's proposals included referendum limits for council tax increases and also the above mentioned methodology to accommodate the business rates revaluation process.

As with the 2016/17 settlement, the 2017/18 consultation indicated that Government is again proposing that district councils be permitted to increase the average Band D council tax by £5. Within this report is assumed that the £5 increase will be approved across the medium term.

Aside from the updated tariff amount it is not expected that the settlement will provide much more additional information for the Council. Through the submission of the Council's 2016-20 Efficiency Statement, as presented to Cabinet in October, the Council accepted a four-year funding settlement for the period 2016/17 to 2019/20. The award of a four-year settlement will provide the Council with greater certainty of funding available for Revenue

Support Grant (RSG), albeit no funding will be awarded from 2019/20, and also the Council's Business Rates baselines. Therefore the amount of RSG included in this report should not alter throughout the budget setting process.

#### **2.4. New Homes Bonus**

As reported in October, in March 2016 the Council responded to the Government's 'New Homes Bonus: Sharpening the Incentive' technical consultation. Government is still to provide the formal response to this consultation and therefore the draft budget and MTFP included within this report are still based upon information and proposals in this consultation.

#### **2.5. Voluntary Redundancies**

On the 15<sup>th</sup> November 2016 Council considered a report where a number of voluntary redundancies were presented for approval. Due to the agenda dispatch date for this report immediately following the Council meeting it has not been possible to capture the outcome of Council's decision within this report. Therefore, the financial implications presented in this report remain based on the proposals presented to Cabinet in October and Council on 15<sup>th</sup> November 2016.

Any changes to these proposals, in addition to the on-going evaluation of other proposals, will be reflected in the January budget report to Cabinet.

### 3. Draft Portfolio and Corporate Revenue Budgets

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

<b>Draft General Fund Revenue Summary 2017/18</b>	<b>2016/17 Revised Budget £</b>	<b>Budget Adjustments £</b>	<b>Salaries and Inflation £</b>	<b>2017/18 Draft Budget £</b>
<b>EXPENDITURE:</b>				
<b>Committed Expenditure:</b>				
Growth and Investment	3,186,740	+325,410	-8,600	3,503,550
Corporate Resources	2,008,190	-31,410	+18,570	1,995,350
Environment and Public Realm	7,493,300	+324,260	-2,310	7,815,250
Communities and Homes	1,094,970	-114,920	+3,210	983,260
Executive Director	1,800,380	+101,620	-57,080	1,844,920
Key Decisions		-738,000	-220,000	-958,000
<b>Total Portfolio &amp; Corporate Budgets</b>	<b>15,583,580</b>	<b>-133,040</b>	<b>-266,210</b>	<b>15,184,330</b>
Less Capital Charge Adjustment	-2,086,740	-338,510	0	-2,425,250
Less Corporate Savings Target	-200,000	0	0	-200,000
Less Pension (IAS 19) Adjustment	-315,880	+102,710	0	-213,170
<b>Net Portfolio &amp; Corporate Budgets</b>	<b>12,980,960</b>	<b>-368,840</b>	<b>-266,210</b>	<b>12,345,910</b>
Net Cost of Borrowing	670,110	-7,200	0	662,910
Revenue Contribution to Capital Outlay	87,500	0	0	87,500
Contribution to Balances	0	0	0	0
Contribution to Reserves	0	+415,820	0	415,820
Minimum Revenue Provision (MRP)	1,191,580	+369,320	0	1,560,900
Parish Council Precepts	715,180	0	0	715,180
<b>TOTAL EXPENDITURE</b>	<b>15,645,330</b>	<b>+409,100</b>	<b>-266,210</b>	<b>15,788,220</b>
<b>INCOME:</b>				
Revenue Support Grant	-1,098,450	+587,520	0	-510,930
Retained Business Rates (Net of Tariff)	-4,225,800	-647,900	0	-4,873,700
New Homes Bonus Funding	-3,221,280	+708,700	0	-2,512,580
Government Grants	-426,810	+42,680	0	-384,130
Council Tax	-6,746,100	-220,610	0	-6,966,710
Collection Fund Surplus(-)/Deficit	1,364,890	-1,770,710	0	-405,820
Contribution from Reserves	-1,123,550	+978,200	0	-145,350
<b>TOTAL INCOME</b>	<b>-15,477,100</b>	<b>-322,120</b>	<b>0</b>	<b>-15,799,220</b>
<b>VARIANCE ON 2016/17 BUDGET (see Appendix 1)</b>	<b>168,230</b>	<b>+86,980</b>	<b>-266,210</b>	<b>-11,000</b>
2017/18 Estimated Revenue Implications of the Draft Capital Programme (see Appendix 5)	0	+11,000	0	11,000
<b>OVERALL TOTAL VARIANCE ON 2016/17 BUDGET</b>	<b>168,230</b>	<b>97,980</b>	<b>-266,210</b>	<b>0</b>

The revised draft general fund revenue budget continues to show a balanced position for 2017/18.

#### 3.1. Key Decisions

As explained above, the 2017/18 draft budget currently presents a balanced position, however this position is largely underpinned by the estimated financial implications that relate to a number of key policy decisions that Members will need to consider in order to deliver a balanced budget.

These proposed policy changes remain unchanged from the October report and are set out in the below.

<b>Key Decision / Policy Change</b>	<b>£'000</b>
Assumed savings from the review and potential reconfiguration of the waste and recycling service as reported to Cabinet on 3 <sup>rd</sup> October.	-400
Estimated income from charging for entry to the Hall of Fame to non-borough residents *	-250
Savings from voluntary redundancies as per section 2.3	-220
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
<b>Total</b>	<b>-958</b>

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

\*As per the Council report on 19<sup>th</sup> May, a conservative level of visitors based on World Rugby's and Mather & Co.'s suggestions has 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.

### **3.3. Pension Fund Revaluation**

The 2016 Local Government Pension revaluation is nearing its conclusion and high-level analysis of the Warwickshire Fund indicates that overall the deficit on the Fund has fallen in cash terms and the funding level had increased from 77% to 82%. This is mainly due to improved investment returns on the fund assets, partly offset by some changes in the financial assumptions. Over the revaluation period pay growth has been lower than anticipated, but pension pay increases has been slightly higher, whilst in terms of "member experience" there has been fewer ill health, early leavers and deaths which may significantly impact upon the pension contributions the Council is liable for. This Fund level revaluation still needs to be translated into employer contributions for individual authorities and this information is expected over the coming months.

### **3.4. 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 also been undertaken and is currently being consulted on with union representatives. The outcome of the will be presented to Members for approval and financial implications will be built into later budget reports.

### **3.5. Other Significant Items**

- Continuation of the **£150,000** budget on annual basis for the re-assignment of the out of town retail business rates for the benefit of the town centre.
- A **£200,000** increase for additional work needed to complete the Local Plan, which will largely be met from a contribution from earmarked reserves.

- An approximate **£240,000** increase resulting from the 1% pay award, staff progression through pay scales and an increase in employer pension contributions.
- Approximately **£400,000** increase in borrowing costs and debt repayment. See section 4 and Appendix 5 for further details.
- An approximate **£220,000** saving in salary costs resulting from the Senior Management restructure.
- Under the terms to the Leisure Centre operating and management contract it is anticipated RBC will receive **£34,500** of additional income from the centre's operator.

#### 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 **£2.3m**. Excluding carry-forward requests, this leaves a net **£1.4m** 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)	155	119
Additional Interest Costs	38	35
<b>Total</b>	<b>193</b>	<b>154</b>
<b>Cumulative Effect</b>		<b>347</b>

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.** The results of that review will be included within future budget preparation reports to Cabinet.

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 £400,000 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 6 shows a forecast position for the next 3 financial years, which presents a balanced position across a three year period to 2019/20, with a contribution of **£110,000** to General Fund Balances in 2018/19. Traditionally the Council has produced a four-year MTFP, but due to the uncertainty about the operation of 100% retention of Business Rates the horizon has been reduced to three years for this report. The scope to return to the four

year timeframe will be considered as details about the Business Rates reform are announced.

As with the draft 2017/18 budget the MTFP 2017-20 is also underpinned by a number of key decisions that members will need to consider. As shown in Appendix 6, the estimated financial implications of these decisions total £1.0 million, £1.4 million and £1.5 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%
- Indicative financial savings from voluntary redundancies in 2017/18 of **£220,000** from initial proposals.

Other key assumptions within the MTFP:

- NHB income based on the scheme being reformed with four-year allocations from 2017/18
- NHB and Business Rates growth based on planned growth as informed by Economic Development officers.
- On-going reductions in core funding (Revenue Support Grant) from Central Government from £1.1m in 2016/17 to nil by 2019/20 as set out in the four-year funding settlement.
- An increase in debt financing and repayment costs of approximately **£700,000** 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, in addition to the £75,000 presented in the 2017/18 draft budget.
- Prudent estimates of **£200,000** from commercialisation in 2019/20.
- Salary budgets amended to reflect 1% pay awards across the MTFP.
- An on-going annual corporate savings target of £200,000, this is deemed to be a prudent allocation because the target has been met or exceeded in previous years.

## 6. Conclusion

The draft budget and MTFP in this update report remains in a balanced position, with further contributions to earmarked reserves following favourable movements on business rates and expenditure assumptions.

However, this balanced position is underpinned by a number of assumptions and also key policy changes which if not approved will require other savings to be identified.

Name of Meeting: Cabinet

Date of Meeting: 28<sup>th</sup> November 2016

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

Originating Department: Resources

**LIST OF BACKGROUND PAPERS**

Draft General Fund Revenue and Capital Budget 2017/18 – Cabinet 31st October 2016

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 £
<b>EXPENDITURE:</b>										
Growth & Investment	3,059,770	+126,970	3,186,740	-63,850	0	-8,600	+365,000	+73,820	-49,560	3,503,550
Corporate Resources	2,033,370	-25,180	2,008,190	-41,380	0	+18,570	+25,000	+7,590	-22,620	1,995,350
Environment & Public Realm	7,463,520	+29,780	7,493,300	+322,420	+910	-3,220	+12,500	-4,660	-6,000	7,815,250
Communities & Homes	1,145,030	-50,060	1,094,970	-164,830	+3,020	+190	+177,530	-102,630	-24,990	983,260
Executive Director's Office	1,782,180	+18,200	1,800,380	+188,040	0	-57,080	0	+0	-86,420	1,844,920
Key Decisions						-220,000		-53,000	-685,000	-958,000
<b>PORTFOLIO EXPENDITURE</b>	<b>15,483,870</b>	<b>+99,710</b>	<b>15,583,580</b>	<b>240,400</b>	<b>3,930</b>	<b>-270,140</b>	<b>580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>15,184,330</b>
Less Capital Charge Adjustment	-2,126,560	+39,820	-2,086,740	-338,510	0	0	0	0	0	-2,425,250
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	+102,710	0		0	0	0	-213,170
<b>NET PORTFOLIO EXPENDITURE</b>	<b>12,812,730</b>	<b>+168,230</b>	<b>12,980,960</b>	<b>+4,600</b>	<b>+3,930</b>	<b>-270,140</b>	<b>+580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>12,345,910</b>
Net Cost of Borrowing	670,110	0	670,110	-7,200	0	0	0	0	0	662,910
Revenue Contribution to Capital Outlay	87,500	0	87,500	0	0	0	0	0	0	87,500
Contribution to Balances	0	0	0	0	0	0	0	0	0	0
Contribution to Reserves	0	0	0	+415,820	0	0	0	0	0	415,820
Minimum Revenue Provision (MRP)	1,191,580	0	1,191,580	+369,320	0	0	0	0	0	1,560,900
<b>TOTAL EXPENDITURE (before Parish Precepts)</b>	<b>14,761,920</b>	<b>+168,230</b>	<b>14,930,150</b>	<b>+782,540</b>	<b>+3,930</b>	<b>-270,140</b>	<b>+580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>15,073,040</b>
Parish Council Precepts and Council Tax Support	715,180	0	715,180	+0	0	0	0	0	0	715,180
<b>TOTAL EXPENDITURE</b>	<b>15,477,100</b>	<b>+168,230</b>	<b>15,645,330</b>	<b>+782,540</b>	<b>+3,930</b>	<b>-270,140</b>	<b>+580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>15,788,220</b>
<b>INCOME:</b>										
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	-647,900	0	0	0	0	0	-4,873,700
New Homes Bonus Funding	-3,221,280	0	-3,221,280	+708,700	0	0	0	0	0	-2,512,580
Government Grants	-426,810	0	-426,810	+42,680	0	0	0	0	0	-384,130
Council Tax	-6,746,100	0	-6,746,100	-220,610	0	0	0	0	0	-6,966,710
Collection Fund Surplus(-)/Deficit	1,364,890	0	1,364,890	-1,770,710	0	0	0	0	0	-405,820
Contribution from Reserves & Balances	-1,123,550	0	-1,123,550	+978,200	0	0	0	0	0	-145,350
<b>TOTAL INCOME</b>	<b>-15,477,100</b>	<b>0</b>	<b>-15,477,100</b>	<b>-322,120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15,799,220</b>
<b>VARIANCE ON 2016/17 BUDGET</b>	<b>0</b>	<b>+168,230</b>	<b>168,230</b>	<b>+460,420</b>	<b>+3,930</b>	<b>-270,140</b>	<b>+580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>-11,000</b>
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
<b>OVERALL VARIANCE ON 2016/17 BUDGET</b>	<b>0</b>	<b>+168,230</b>	<b>168,230</b>	<b>+471,420</b>	<b>+3,930</b>	<b>-270,140</b>	<b>+580,030</b>	<b>-78,880</b>	<b>-874,590</b>	<b>0</b>

**Proposed Growth Items 2017/18**

Portfolio/Service	Amount (£)	Justification:	Corresponding savings? Y / N / Partial (Y = Total growth offset)
<b>Growth &amp; Investment (G&amp;I)</b>			
<b>Economic Development</b>			
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.	
<b>Town Centre Improvements</b>			
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
<b>Sub Total (G&amp;I)</b>	<b>365,000</b>		
<b>Corporate Resources (CR)</b>			
<b>General Financial Expenses</b>			
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
<b>Sub Total (CR)</b>	<b>25,000</b>		
<b>Environment &amp; Public Realm (E&amp;PR)</b>			
<b>Regulatory Services</b>			
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
<b>Sub Total (E&amp;PR)</b>	<b>12,500</b>		
<b>Communities &amp; Homes (C&amp;H)</b>			
<b>Customer and Information Services</b>			
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. Anticipated savings from this scheme are shown in appendix 4	Y
Annual Maintenance & Licencing of SportsBooker Room Booking System and Increased EPOS Till Maintenance	2,910	New Booking System to replace 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
<b>Housing Options Team</b>			
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 in Appendix 3.	Y
<b>HEART Shared Service - Home Environment Assessment Response Team</b>			
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
<b>Housing Strategy &amp; Enabling</b>			
Eastern European Link Worker	22,350	Annual cost to extend 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
<b>Sub Total (C&amp;H)</b>	<b>177,530</b>		
<b>OVERALL TOTALS</b>	<b>580,030</b>		
<b>Summary Proposed Growth 2016/17</b>			
Total increase where savings or income offset	163,180		
Total increase without savings or income offset	416,850		
<b>Overall Total</b>	<b>580,030</b>		

**Proposed Income Adjustments 2017/18**

Portfolio/Service	Amount (£) + = Reduction - = Increase	Justification:
<b>Growth &amp; Investment (G&amp;I)</b>		
<b>Art Gallery and Museum</b>		
Arts Council	+8,430	The funding for this scheme has now ended, therefore income and related salary expenditure budgets have been removed.
<b>Queen's Diamond Jubilee Centre</b>		
Contract Payment	-34,490	Increase in the profit share for the leisure centre, as per the management contract (CPI will be added at a later date).
<b>Sports and Recreation</b>		
Street Sports	+23,480	The funding for this scheme has now ended, therefore income and related salary expenditure budgets have been removed (see appendix 4)
Family Lifestyles	+76,400	Reduction in income following the expected cessation of the scheme in July 2017, therefore related operating expenditure and salary budgets of £58,750 have been removed (see appendix 2)
<b>Sub Total (G&amp;I)</b>	<b>73,820</b>	
<b>Corporate Resources (CR)</b>		
<b>Corporate Property Administration</b>		
Contribution to Running Expenses	+10,490	As the Council's 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
<b>Corporate Property Management</b>		
Property Rental	-2,900	The increased income reflects revised leasing charges for corporate land and properties
<b>Sub Total (CR)</b>	<b>7,590</b>	
<b>Environment &amp; Public Realm (E&amp;PR)</b>		
<b>Crime and Disorder</b>		
Eastern European Project Work	+5,340	Cessation of grant funding for this scheme.
<b>Regulatory Services</b>		
Environmental Protection	-10,000	Additional work fully reimbursed from Harborough District Council for investigative work being carried out for Fly Tipping (see appendix 2).
<b>Sub Total (E&amp;PR)</b>	<b>-4,660</b>	
<b>Communities &amp; Homes (C&amp;H)</b>		
<b>Housing Options Team</b>		
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)
<b>HEART Shared Service - Home Environment Assessment Response Team</b>		
HEART Shared Service External Contract Income	-39,700	The Council'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 contribution of Capital Grant to offset the expenditure of the scheme (see appendix 2)
<b>House Purchase and Improvement Loans</b>		
Insurance and Interest on advances	+2,240	The change reflects the amounts of interest and chargeable interest on loans outstanding
<b>Sub Total (C&amp;H)</b>	<b>-102,630</b>	
<b>OVERALL TOTALS</b>	<b>-25,880</b>	
<b>Summary Proposed Income Adjustment 2016/17</b>		
Total reduction in income	+126,380	
Total increase in income	-152,260	
<b>Net Change To Income</b>	<b>-25,880</b>	

**Proposed Savings 2017/18**

Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
<b>Growth &amp; Investment (G&amp;I)</b>			
<b>Art Gallery and Museum</b>			
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 related income and salary expenditure budgets have been removed (see appendix 3)	N
<b>Sports and Recreation</b>			
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 related income and salary expenditure budgets have been removed (see appendix 3)	Y
Family Lifestyles	-17,650	The funding for this scheme is expected to end in July 2017, therefore operating expenditure and salary expenditure of £58,750 have been removed (see appendix 3)	Y
<b>Sub Total (G&amp;I)</b>	<b>- 49,560</b>		
<b>Corporate Resources (CR)</b>			
<b>Corporate Property Administration</b>			
Electricity and Gas	-13,620	Net reduction in usage and tariff costs	N
<b>Resources</b>			
Legal Costs	-9,000	Legal work relating to employment disputes is now being undertaken internally by the Council's own Legal Services Team	N
<b>Sub Total (CR)</b>	<b>- 22,620</b>		
<b>Environment &amp; Public Realm (E&amp;PR)</b>			
<b>Miscellaneous Highways Services</b>			
Subcontractors- Great Central Way Bridges	-6,000	Efficiency savings for maintaining GCWB due to revised working arrangements with Warwickshire County Council	N
<b>Sub Total (E&amp;PR)</b>	<b>- 6,000</b>		

Proposed Savings 2017/18			
Portfolio/Service	Amount (£)	How can these be achieved?	Adverse impact on service delivery? Y/N
<b>Communities &amp; Homes (C&amp;H)</b>			
<b>Customer and Information Services</b>			
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
<b>Housing Strategy and Enabling</b>			
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
<b>Woodside Park</b>			
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
<b>Sub Total (C&amp;H)</b>	<b>- 24,990</b>		

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

<b>OVERALL TOTALS</b>	<b>- 189,590</b>		
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Summary Proposed Savings Adjustment 2016/17		
Total savings with no adverse impact on service delivery	-	318,910
Total savings with an adverse impact on Service delivery		129,320
<b>Overall Total</b>	<b>-</b>	<b>189,590</b>



## MEDIUM TERM FINANCIAL PLAN: GENERAL FUND 2016-20

	2017/18 £ 000's	2018/19 £ 000's	2019/20 £ 000's
<b>BASE BUDGET</b>	<b>15,477</b>	<b>16,757</b>	<b>16,624</b>
<b>PORTFOLIO EXPENDITURE</b>			
Salaries - savings from senior management restructure	-200	0	0
Salaries - savings from other disestablished posts	-100	-60	0
Salaries - pay awards, pension and NI increases and other minor changes to the establishment	241	239	231
Other Anticipated service budget adjustments	545	-128	-110
Inflation Provision on non pay budgets RPI/CPI as relevant	5	50	50
<b>Sub total</b>	<b>15,968</b>	<b>16,858</b>	<b>16,795</b>
<b>CORPORATE ITEMS</b>			
Change in net cost of borrowing	-7	-16	-17
Change in contribution to Balances	0	110	-91
Contribution to Reserves	416	-416	0
Change in Minimum Revenue Provision (MRP)	369	77	178
Change in Parish Council Precepts	0	0	0
Potential revenue implications from Capital Programme	11	11	0
<b>Total</b>	<b>16,757</b>	<b>16,624</b>	<b>16,865</b>

<b>INCOME</b>			
Revenue Support Grant	-511	-153	0
Retained Business Rates (50% local share)	-4,874	-4,952	-4,952
Government Grants	-384	-346	-312
Council Tax - from a 2% increase	-6,967	-7,224	-7,467
Collection Fund Surplus(-)/Deficit	-406	0	0
Contribution from Reserves to fund one-off expenditure	-145	0	0
New Homes Bonus Funding	-2,512	-2,538	-2,570
<b>TOTAL</b>	<b>-15,799</b>	<b>-15,213</b>	<b>-15,301</b>
<b>BUDGET VARIANCE</b>	<b>958</b>	<b>1,411</b>	<b>1,564</b>

<b>KEY DECISIONS</b>			
Income from Charging for Hall of Fame Entry	-250	-250	-250
Waste Service Reconfiguration	-400	-700	-800
Voluntary Redundancy Savings	-220	-320	-320
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
<b>TOTAL</b>	<b>-958</b>	<b>-1,411</b>	<b>-1,564</b>
<b>BUDGET VARIANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>COUNCIL TAX ANALYSIS</b>			
Year on year £000's increase in Council Tax needs	221	257	243
Tax Base	35,217	35,841	36,351
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%

**Rugby Borough Council Response to the 2017/18 Local Government Finance Settlement Technical Consultation Paper**

<p><b>Q1: What other, additional grants, beyond those set out in para 2.2.2, could the Government consider including in the multi-year offer?</b></p>
<p>We propose that Localising Council Tax support admin subsidy grant and Housing Benefit administration subsidy is included in the multi-year offer.</p> <p>As Universal Credit is rolled out, housing benefit for pensioners will remain with local authorities for now and support will still be required. It would be useful for local authorities to have some certainty over the funding ahead of any proposed changes.</p> <p>Although not a grant, confirmation of the council tax referendum limits across the multi-year period would also be advantageous for local government financial planning.</p>
<p><b>Q2: Do you agree with the proposed methodology for allocating funding for the improved Better Care Fund as outlined in paragraph 2.3.4?</b></p>
<p>It is requested that the government consider the protection for district councils' Disabled Facilities Grant allocations within the fund. As in two-tier areas upper-tier authorities will continue to experience pressures from the on-going increase in the cost of providing adult social care bill, consequently presenting a risk any funding (Disabled Facilities Grant) passed to lower tier is reduced.</p>
<p><b>Q3: Do you agree with the council tax referendum principles for 2017-18 proposed in paragraphs 3.2.1 to 3.2.2 for principal local authorities?</b></p>
<p>The extension of the £5 limit for 2017/18 is welcomed in comparison to the 2% limit imposed in previous years.</p> <p>However, it is stressed that local authorities should be free to determine council tax levels that are appropriate for local circumstances. Authorities should be free to engage and consult on council tax proposals with their residents alongside other service and resultant budgetary changes without the requirement to undertake a formal referendum.</p> <p>Experience has shown that prohibitive costs involved in undertaking council tax resolutions has restricted their use, resulting in the referendum limits effectively acting as capping restrictions in all but name and therefore creating a local democratic deficit.</p>
<p><b>Q4: Do you agree that referendum principles should be extended to larger, higher spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?</b></p>
<p>Yes</p>
<p><b>Q5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?</b></p>
<p>Yes</p>

**Q6: Do you have any comments on the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?**

Yes we agree that referendum principles should be extended to all parishes. We believe this should be on the same principle of increases of less than 2% or up to and including £5 (whichever is higher) can be set without triggering a referendum.

**Q7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?**

The introduction of referenda for parish and town councils would potentially create an additional administration burden. This could be costly, particularly in any instances of re-billing. Therefore clarity will need to be provided on who will bear these costs and it is firmly proposed that the relevant parish or town council should meet the full costs of holding any referendum and that principal electoral authorities are fully reimbursed.

Timescales would also need to be clarified in order to ensure the smooth setting of council tax for all authorities.

In a similar manner to the transfer of functions set out in the consultation document, other potential issues which need to be considered are:

- A boundary change which impacts on the precept/tax base
- A reduction in tax base as a result to changes in local council tax support discounts
- When existing developer s106 contributions used to maintain services are fully spent

**Q8: Do you agree with the methodology for calculating the revaluation adjustment to business rates tariff and top-up payments as outlined in paragraph 3.4.1 to 3.4.8?**

Overall the approach is reasonable and the Council welcomes the proposal to mitigate the effect of revaluations as far as practically possible.

However, the use of gross rates in the methodology may cause issues for authorities with large amounts of reliefs. If valuations in properties with reliefs are changing at a different rate than the proxy. Whilst it is promised this will be kept under review, for those authorities with large reliefs, this will be at their detriment until the final adjustment in the 2018/19 settlement.

The additional adjustment factor for appeals has potential flaws, in that it is not certain that authorities will make a large provision for the cost of appeals in 2017-18. External auditors might not allow authorities to make a large provision if there is no evidence of outstanding appeals, which means that contributions to the provision might actually be back-ended, which could cause an issue from a financial planning perspective.

Therefore our view is that appropriate accounting arrangements are incorporated into and permitted within the Code of Practice to allow authorities to make a consistent annual contribution to the provision, with the objective of smoothing-out contributions.

**Q9: Do you agree that the methodology as outlined in paragraphs 3.5.5 to 3.5.13, for calculating changes to the local share of business rates and tariff and top up payments is correct and does not adversely affect non-pilot areas?**

In principle the Council agrees with this approach.

**Q10: Are you contemplating a voluntary transfer of funding between the Combined Authority and constituent authorities?**

No comment

**Q11: Do you have any comments on the impact of the proposals for the 2017-18 settlement outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments.**

No comment

## Agenda No 6

### **AGENDA MANAGEMENT SHEET**

<b><i>Name of Meeting</i></b>	Cabinet
<b><i>Date of Meeting</i></b>	28 <sup>th</sup> November 2016
<b><i>Report Title</i></b>	Finance & Performance Monitoring 2016/17 – Quarter 2
<b><i>Portfolio</i></b>	All Portfolios
<b><i>Ward Relevance</i></b>	All Wards
<b><i>Prior Consultation</i></b>	Finance & Performance Monitoring 2016/17 – Qtr 1 Cabinet 5 <sup>th</sup> September 2016
<b><i>Reporting Director</i></b>	Corporate Resources
<b><i>Contact Officer</i></b>	Mannie Ketley - Head of Corporate Resources & Chief Financial Officer Tel: (01788) 533416
<b><i>Report Subject to Call-in</i></b>	Yes
<b><i>Report En-Bloc</i></b>	No
<b><i>Forward Plan</i></b>	Yes
<b><i>Corporate Priorities</i></b>	This report relates to the following priority(ies):  All Council Priorities
<b><i>Risk Management Implications</i></b>	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.
<b><i>Financial Implications</i></b>	As detailed in the main report.
<b><i>Environmental Implications</i></b>	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 second quarter of 2016/17 be considered and noted;
- 3) A General Fund revenue contribution to Corporate Savings of £39,450 from salary savings as a result of the Senior Management Restructure.

#### **IT BE RECOMMENDED TO COUNCIL THAT:**

- 4) A General Fund revenue budget virement to Corporate Savings of £90,000 from Refuse and Recycling be approved, in relation to savings achieved through reduced charges from April to September 2016.
- 5) A carry forward of General Fund capital budget of £347,000 be approved to 2017/18 for the Carbon Management Plan – Solar PV installation at RAGML/QDJLC;
- 6) A supplementary HRA capital budget of £103,500 be approved for 2016/17 for the Purchase of Vehicles for the Property Repairs Team to be met from HRA balances and a corresponding reduction to the General Fund capital budget;
- 7) A carry forward of General Fund capital budget of £251,960 be approved to 2017/18 for the Purchase of Vehicles;
- 8) A supplementary General Fund capital budget of £142,000 be approved for 2016/17 for Disabled Facilities Grants to be met from additional external funding; and
- 9) A carry forward of HRA capital budget of £640,000 be approved to 2017/18 to facilitate the completion of Housing Window Replacement programme in spring 2017

## Agenda No 6

Cabinet – 28<sup>th</sup> November 2016

Finance & Performance Monitoring 2016/17 – Quarter 2

Report of the Head of Corporate Resources & Chief Financial Officer

### RECOMMENDATION

- 1) The Council's anticipated financial position for 2016/17 be considered;
- 2) The Council's performance monitoring information for the second quarter of 2016/17 be considered and noted;
- 3) A General Fund revenue contribution to Corporate Savings of £39,450 from salary savings as a result of the Senior Management Restructure.

### IT BE RECOMMENDED TO COUNCIL THAT:

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- 8) A supplementary General Fund capital budget of £142,000 be approved for 2016/17 for Disabled Facilities Grants to be met from additional external funding;
- 9) A carry forward of HRA capital budget of £640,000 be approved to 2017/18 to facilitate the completion of Housing Window Replacement programme in spring 2017.

## 1. INTRODUCTION

This is the second 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 3 and Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets - Section 4 and Appendix 2;
- Capital Budgets - Section 5 and Appendix 3;
- Performance – Section 6 and Appendix 4

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

## 2. BACKGROUND

The 2016/17 General Fund revenue budget was set by Council on 23<sup>rd</sup> 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 Council's medium term financial plan.

As reported in the first draft 2017/18 budget report to Cabinet on 31<sup>st</sup> October, 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 variances resulting from the imposition of recruitment restrictions are reflected in this report. However, budget monitoring at this stage has not taken account of the financial implications of the voluntary redundancy requests that were considered by Council on 15<sup>th</sup> November 2016, nor does it reflect the implications of any of the key decisions that Members were asked to consider as part of the draft 2017/18 budget setting at Cabinet on 31<sup>st</sup> October 2016.

Other initiatives, including income generation and digitalisation of services, are also being considered by Senior Management and will be reported to Cabinet throughout the 2017/18 budget setting process.

### 3. GENERAL FUND (GF) REVENUE BUDGETS:

#### 3.1 Overview

- There is a favourable variance to date of **£497,800**, based on actual spend to the end of the Quarter 2 against profiled budgets.
- The Corporate Savings Target has been set at **£200,000** for 2016/17, to include all savings achieved through more efficient working and savings realised through vacant posts. To date officers have been able to identify **£293,090** of savings with an expectation that savings of £350,000 will be reached at year end.
- GF services show an anticipated favorable variance of **£389,500** at year-end, which includes and incorporates the savings target being exceeded by £150,000.

#### 3.2 Major Variances

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

Portfolio / Service Area	Variance at Quarter 2 £	Variance Forecast to Year-End £
<b>Growth and Investment</b>		
<b>Planning Services</b> - The variance to Quarter 2 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.	-221,400	-6,900
<b>Queen Diamond Jubilee Centre</b> – The leisure centre is continuing to perform well and an increase in the profit share is expected in 2016/17.	-19,100	-19,100
<b>Caldecott Park Café</b> – An underachievement of income from Café sales as a result of local competition and bad weather which has resulted in a variance to Quarter 2 and year-end. The café will be closed from the end of October until April so the forecast outturn position reflects the actual performance for 2016/17.	+7,000	+10,700
Other minor underspends	+25,500	+17,100
<b>Subtotal</b>	<b>-208,000</b>	<b>+1,800</b>

<b>Corporate Resources</b>		
<b>General Financial Services</b> – A payment of £25,000 will be made for the subscription to the West Midland Combined Authority.	+31,700	+25,100
<b>Corporate Property Administration</b> – Backdated standby payments & honoraria of £12,000.	+16,300	+11,400
<b>Council Tax</b> – Variance relates to increased expenditure on the Analyse Local System on the RV finder (£14,000) and the empty homes review, which will be more than offset by the additional income generated by these services.	+18,100	+13,500
<b>Housing Benefit Administration</b> – Maternity leave has caused salary underspends to quarter and year-end.	-14,700	-16,400
Other minor variances	-18,000	+1,400
<b>Subtotal</b>	<b>+33,400</b>	<b>+35,000</b>
<b>Environment and Public Realm</b>		
<b>Car Parks</b> – Projected underachievement of income from obsolete and faulty Pay & Display machines. 13 new units are due to be delivered and installed at the end of December.	+10,500	+30,000
<b>Cemeteries</b> – Higher than anticipated income from burial and license income.	-38,800	-15,200
<b>Regulatory Services</b> – The variance is due to an underspend on salaries pending a restructure of the service	-28,900	-34,400
<b>Waste Collection and Recycling</b> – Reduced costs have resulted in savings being achieved to Quarter 2. In addition to the saving of £90,000 proposed at Recommendation 2 to be added to the Corporate Savings target, there are further savings of £80,000 anticipated to year-end.	-35,300	-80,300
<b>Works Services Unit</b> – The variance is mainly due to an anticipated surplus due from the new Trade Waste round (£34,000), in addition to landfill tax charges which are expected to be £25,000 less than budgeted, slightly offset with various small overspends.	-59,700	-36,800
Other minor variances	-44,200	+16,200
<b>Subtotal</b>	<b>-196,400</b>	<b>-120,500</b>
<b>Communities and Homes</b>		
<b>Customer &amp; Information Services</b> – Variance to Quarter 2 and year-end relates to salary savings within the Head of Service cost centre following Senior Management Restructure and the re-allocation of a proportion of the costs to the HRA	-21,000	-40,400
<b>Customer Support Services</b> – Variance to Quarter 2 and year-end relate to salary savings within the service.	-13,500	-12,900
Minor variances	-14,200	-31,900
<b>Subtotal</b>	<b>-48,700</b>	<b>-85,200</b>

<b>Executive Directors Office</b>		
<b>Executive Director</b> – Salary savings have been realised as part of the senior management restructure.	-44,600	-41,600
<b>Electoral Services</b> – Cost of borough elections were lower than anticipated.	-37,100	-38,400
Minor variances	+3,600	+8,100
<b>Subtotal</b>	<b>-78,100</b>	<b>-71,900</b>
<b>Other Corporate Items</b>		
<b>Net Cost of Borrowing - -£22,500</b> 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.	0	-148,700
<b>Minimum Revenue Provision - +£23,800</b> Variance relates to additional expenditure on Open Spaces and Corporate Property Enhancements in 2015/16 against forecast.		
<b>Corporate Savings - -£150,000</b> Anticipated overachievement		
<b>Net Variance</b>	<b>-497,800</b>	<b>-389,500</b>

### 3.2 Anticipated General Fund Balances

	£	£
<b>GF Balance at 31<sup>st</sup> March 2016</b>		<b>-1,880,480</b>
Approved budget carry forwards from 2015/16	+107,620	
Supplementary budget approvals/pending	-103,210	
Anticipated variance to the end of 2016/17	-389,500	
<b>Amount to be taken from balances</b>		<b>-385,090</b>
<b>Anticipated GF Balance at 31<sup>st</sup> March 2017</b>		<b>-2,265,570</b>

The table above shows that GF balances are forecast to be just above £2.2 million at the end of 2016/17, after considering the projected variance and other budget adjustments.

## 4 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

### 4.1 Context

Housing Rents were set by Council on 1<sup>st</sup> 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).

### 4.1 Overview

- There is a favourable variance to date of **£315,250**, based on actual spend to the end of the Quarter 2 and monitored against profiled budgets.
- HRA services show an anticipated favorable variance of **£332,320** at year-end.
- To-date none of the above variances have been assigned against the savings/income target. It is expected that approximately £200,000 of this target will be met from debt rescheduling.

### 4.3 Major Variances

A summary of the key variances follows:

HRA Income and Expenditure	Variance at Quarter 2 £	Variance Forecast to Year-End £
<b>Rent income from dwellings, land, and buildings</b> - 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.	-26,090	-81,370
<b>Supervision and Management</b> – 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.	-299,590	-211,070
<b>Interest &amp; Investment income</b> – 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	-15,440
<b>Other minor variances</b>	+10,430	-24,440
<b>Net Variance</b>	<b>-315,250</b>	<b>-332,320</b>

#### 4.4 Anticipated HRA Balances

	£	£
<b>HRA Balance at 31<sup>st</sup> March 2016</b>		<b>-2,827,840</b>
Budgeted contribution from HRA Balances	+1,350,000	
Supplementary budget approvals	+64,560	
Anticipated underspend to the end of 2016/17	-332,320	
Allocation of underspends to savings/income target	+332,320	
<b>Amount to be taken from balances</b>		<b>+1,414,560</b>
<b>Anticipated HRA Balance at 31<sup>st</sup> March 2017</b>		<b>-1,413,280</b>

It is anticipated that the service variance of **£332,320** will be utilised to meet the savings/income target in combination with other efficiencies subject to an ongoing HRA balance based on risk analysis.

## 5 CAPITAL:

### 5.1 General Fund Capital – Overview

- The GF capital programme is currently budgeted at £6.41 million for 2016/17.
- At the end of Quarter 2, the GF capital programme shows an adverse variance of **£20,300** against profiled budgets.
- There is currently a projected favourable variance to year-end of **£735,120**, which largely relates to a proposed carry forward to 2017/18 for the Solar Panel and Vehicle Purchase schemes.

### 5.2 General Fund Capital – Major Variances

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

Portfolio / Service Area	Variance at Quarter 2 £	Variance Forecast to Year-End £
<b>Growth and Investment</b>	<b>-480</b>	<b>0</b>
<b>Corporate Resources</b>		
<b>Carbon Management Plan</b> – As per Recommendation 3 a carry forward of £347,000 to 2017/18 is requested for approval, to allow for additional procurement timetabling of the Rugby Art Gallery and Museum and Queens Diamond Jubilee Centre solar PV projects.	<b>+160</b>	<b>-347,000</b>
<b>Other minor variances</b>	<b>-3,510</b>	<b>0</b>
<b>Sub-total</b>	<b>-3,350</b>	<b>-347,000</b>

<b>Environment and Public Realm</b>		
<b>Rainsbrook Cemetery Preparation</b> - It is anticipated that there will be delays to the scheme due to original contractor remedial work which may resort in a carry forward to 2017/18 to allow for groundworks to commence in Spring 2017.	0	-204,410
<b>Purchase of Vehicles</b> – As per recommendations 6 and 7 this scheme will be reduced by £103,500 for vehicles to be funded by the HRA, and following a review of useful economic lives of several vehicles, £251,960 of purchases will be deferred until 2017/18.	-3,980	-355,460
<b>Other minor variances</b>	+36,650	+43,250
<b>Sub-total</b>	+32,670	-516,620
<b>Communities and Homes</b>		
<b>Handyperson Service / Home Safety Checks</b> – 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
<b>Disabled Facilities Grants</b> – As per Recommendation 8, a supplementary capital budget of £142,000 is requested for approval to be met from additional external funding contained within the Better Care Fund 2016/17.	-4,930	+142,000
<b>Other minor variances</b>	-3,610	+4,000
<b>Sub-total</b>	-8,540	+128,500
<b>Net Variance</b>	+20,300	-735,120

### 5.3 HRA Capital - Overview

- The HRA capital programme is currently budgeted at £8.956 million for 2016/17.
- At the end of Quarter 2, the HRA capital programme shows a favourable variance of **£16,190** against the profiled budget.
- There is currently a projected favourable variance to year-end of **£1,137,860**, largely relating to proposed carry forwards to 2017/18 as detailed below.

### 5.4 HRA Capital – Major Variances

A summary of the key variances follows:

	<b>Variance at Quarter 2</b>	<b>Variance Forecast to Year-End</b>
	<b>£</b>	<b>£</b>
<b>Housing Management System</b> – The scheme is anticipated to be carried forward to 2017/18 to allow a review of system requirements ( housing management and asset management ) to be undertaken in 2016/17	-9,000	-120,470
<b>Housing Window / Door Replacement</b> – A carry forward of £640,000 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.	+3,120	-640,000

<b>Roof refurbishment</b> – Rounds Gardens / Biart Place - A carry forward of £488,790 to 2017/18 is requested to complete procurement arrangements via a framework agreement.	-6,730	-488,790
<b>Property Repairs Service Vehicle Purchases</b> – As per recommendation 6 a supplementary HRA capital budget of £103,500 is requested to purchase vehicles previously categorised as General Fund expenditure	0	+103,500
<b>Other minor variances</b>	-3,580	+7,900
<b>Net Variance</b>	<b>-16,190</b>	<b>-1,137,860</b>

## 6. PERFORMANCE

This is the monitoring report for the second 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. As requested in feedback from Q1 the datasets have been split by Portfolio.

The work with all services to review their performance management information has been completed and a report will be sent to the next Senior Management Team meeting.

A series of workshops have been set up for Councillors to attend in November with the view to gauging what performance data they want to see. A report setting out the proposed changes to Local Indicators will then be submitted for consideration and approval by Cabinet 09 January 2017

Any feedback prior to this can be provided to the Head of Corporate Resources or the Corporate Assurance and Improvement Manager (Chris Green).

Q2 Summary:

- There are several measures with negative trends that actually when you compare them quarter for quarter instead of against the previous month it tells a good story and not a bad one. Please see Appendix 4
- Q2 performance data is showing a negative trend overall and commentary is attached to indicators in **Appendix 4** from the relevant officers.
- The Legal and Procurement data sets have been removed from Local Indicator reporting pending a review to establish appropriate performance measures for these services.
- 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](mailto:RPMSsupport@rugby.gov.uk)



Name of Meeting: Cabinet

Date of Meeting: 28<sup>th</sup> November 2016

Subject Matter: Finance & Performance Monitoring 2016/17 – Quarter 2

Originating Department: Corporate Resources

#### **LIST OF BACKGROUND PAPERS**

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

**General Fund****Revenue Budget Monitoring 2016/17 April 2016 to September 2016****Key:**

+ = over spend / income shortfall

- = under spend / additional income

	Profiled Budget to Qtr 2	Actual Spend to Qtr 2	Variance to Profile Qtr 2	Current Budget	Projection to Year-End	Variance to Year-End
<b>Portfolio Expenditure :-</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Growth & Investment	1,309	1,101	-208	3,172	3,174	2
Corporate Resources	11,535	11,568	33	2,008	2,043	35
Environment & Public Realm	3,309	3,112	-197	7,332	7,211	-121
Communities & Homes	481	432	-49	1,073	988	-85
<b>Portfolio Expenditure</b>	<b>16,634</b>	<b>16,213</b>	<b>-421</b>	<b>13,585</b>	<b>13,416</b>	<b>-169</b>
Executive Director Office	975	897	-78	1,730	1,658	-72
	<b>17,609</b>	<b>17,110</b>	<b>-499</b>	<b>15,315</b>	<b>15,074</b>	<b>-241</b>
Less Corporate Savings Target				-200	-350	-150
Less IAS 19 Pension Adjustment				-345	-345	0
Less Capital Charge Adjustment				-2,127	-2,127	0
<b>Net Expenditure</b>				<b>12,643</b>	<b>12,252</b>	<b>-391</b>
Net Cost of Borrowing				670	648	-22
MRP Adjustment				1,192	1,215	23
Revenue Contribution to Capital Outlay				88	88	0
<b>Total Expenditure (before Parish Precepts)</b>				<b>14,593</b>	<b>14,203</b>	<b>-390</b>
Parish Council Precepts & Council Tax Support				715	715	0
<b>Total Expenditure</b>				<b>15,308</b>	<b>14,918</b>	<b>-390</b>

**Housing Revenue Account (HRA)****Revenue Budget Monitoring 2016/17 July 2016 to September 2016**

Appendix 2

<b>Key:</b> + = over spend / income shortfall - = under spend / additional income
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Description	Profiled Budget to Qtr 2 £'000	Actual Spend to Qtr 2 £'000	Variance to Profile Qtr 2 £'000	Current Budget £'000	Projection to Year-End £'000	Variance to Year-End £'000
<b>Income</b>						
Rent income from dwellings	-7,825	-7,886	-61	-16,348	-16,482	-134
Rent income from land and buildings	-139	-117	+22	-281	-206	75
Charges for services	-676	-663	+13	-1,410	-1,432	-22
Contributions towards expenditure	-77	-65	+12	-275	-299	-24
<b>Total Income</b>	<b>-8,717</b>	<b>-8,731</b>	<b>-14</b>	<b>-18,314</b>	<b>-18,419</b>	<b>-105</b>
<b>Expenditure</b>						
Transfer to Housing Repairs account	0	0	0	3,329	3,329	0
Supervision and Management	2,531	2,232	-299	4,882	4,671	-211
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
<b>Total Expenditure</b>	<b>2,534</b>	<b>2,233</b>	<b>-301</b>	<b>18,268</b>	<b>18,057</b>	<b>-211</b>
<b>Net Cost of Services</b>	<b>-6,183</b>	<b>-6,498</b>	<b>-315</b>	<b>-46</b>	<b>-362</b>	<b>-316</b>
HRA Share of Corporate & Democratic Core Costs	0	0	0	210	210	0
Interest Payable & Similar Charges	0	0	0	1,327	1,327	0
Interest & Investment Income	0	0	0	-76	-92	-16
<b>Net Operating Expenditure</b>	<b>-6,183</b>	<b>-6,498</b>	<b>-315</b>	<b>1,415</b>	<b>1,083</b>	<b>-332</b>
Contributions to (+) / from (-) Reserves	0	0	0	-1,350	-1,350	0
<b>Surplus(-)/Deficit(+)</b> for year	<b>-6,183</b>	<b>-6,498</b>	<b>-315</b>	<b>65</b>	<b>-267</b>	<b>-332</b>

**Capital Budget Monitoring 2016/17**  
**April 2016 to September 2016**

**Appendix 3**

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

<b>Portfolio</b>	<b>Profiled Budget to Qtr 2 £'000</b>	<b>Actual Spend to Qtr 2 £'000</b>	<b>Variance to Profile to Qtr 2 £'000</b>	<b>Current Budget £'000</b>	<b>Projection to Year-End £'000</b>	<b>Variance to Year-End £'000</b>
Growth & Investment	358	358	0	1,336	1,336	0
Corporate Resources	12	9	-3	1,195	848	-347
Environment & Public Realm	1,015	1,047	+32	2,931	2,770	-161
Communities & Homes	458	449	-9	947	1,076	129
<b>Sub Total General Fund</b>	<b>1,843</b>	<b>1,863</b>	<b>+20</b>	<b>6,409</b>	<b>6,030</b>	<b>-379</b>
Housing Revenue Account	2,945	2,929	-16	8,956	7,714	-1,242
<b>Overall Total</b>	<b>4,788</b>	<b>4,792</b>	<b>+4</b>	<b>15,365</b>	<b>13,744</b>	<b>-1,621</b>

## Performance Report for Cabinet Q2 2016/17

**Report Author:** Christopher Trezise (Corporate Performance Management Officer)

**Generated on:** 17 October 2016



### **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 – Cllr Leigh Hunt

### Customer Services Value/Failure Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
% of telephone demand received by the Customer Services Centre classified as Value	83.33%	Q2 2016/17				6 - CH Portfolio
% of face to face demand engaged with a Customer Services Advisor classified as Value	90%	Q2 2016/17				6 - CH Portfolio

### E&D: Protected Characteristics Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
(ex-BV 017a) Ethnic Minority representation in the workforce - employees	8.5%	Q2 2016/17				6 - CH Portfolio

Awaiting commentary from Manager

### 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	99.97	September 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
<p>The number of preventions has dropped dramatically. We are unable to prevent homelessness in an increasing number of cases. This is related to the reason behind homelessness occurring in the first place. Loss of Private Rental Sector accommodation is the primary cause of homelessness in Rugby Borough. There is very little officers can do to persuade a landlord not to evict a tenant when that landlord is looking for someone who can afford to pay the inflated rental prices we experience locally. There is a deliberate strategy to remove tenants on low incomes and replace them with those who have a high enough income to pay increased rental prices. For example the maximum housing benefit for a three bedroom property in Rugby is £580 per month, the market price on average is between £750 &amp; £850 per month. This means that the gap between family budgets and costs is in the hundreds of pounds. No amount of negotiation by Housing Options Officers is going compensate for market conditions. p revention is also very challenging in the case of single homeless presentations. Many of those from chaotic backgrounds live a transient existence before they approach meaning that prevention does not apply as the applicant is already homeless.</p>			
Number of homeless preventions made due to financial advice being provided by Citizens Advice Bureau	72 Q2 2016/17	  	6 - CH Portfolio
<p>The CAB Preventions have increased significantly over the last quarter. We think that this is primarily connected to an increase in the number of debt cases that they are now dealing with which will be measured as a prevention.</p>			
The number of homeless decisions made each quarter	58 Q2 2016/17	 N/A N/A	6 - CH Portfolio
<p>This continues the trend of high numbers of homeless : last two years. and on a par with the same quarter last year. The main cause of homelessness for families is private landlords issuing a notice to quit to their tenants. This is the case both locally and nationally. High private sector landlords that they are unable to afford the increase the increase their prices. When those on low incomes inform their accommodation. These include those with a combinatic ontinual trend of extremely vulnerable single people seeking and ex-offenders. The complexity of cases means that officers are spending much more time per case than has been the case historically. ntal health conditions such as psychosis and schizophrenia, drug addicts, alcoholics</p>			
The number of households accepted for re-housi	51 Q2 2016/17	 N/A N/A	6 - CH Portfolio
<p>This indicates that there has been an in se who are homeless, vulnerable and not at fault for the loss of their previous accommodation. This places further dei is a very limited supply of social housing because there is the obligation to source suitable accommodation. The knock on effect of this is those wi iting times running into years for some types of accommodatio</p>			

### Housing Rents Data Set

Performance Indicator (PI)	Latest Data Available	Performance Trend Analysis	Portfolio
(ex-BV 066a) Rent Collection and Arrears Recovery	96.10% Q2 2016/17	  	6 - CH Portfolio

Although the collection and arrears recovery is down from last quarter this still falls within the 5% tolerance.

### Housing Voids

Performance Indicator (PI)	Latest Data Available	Performance Trend Analysis	Portfolio
Average void period in days	80 Q2 2016/17	  	6 - CH Portfolio

## Corporate Resources Portfolio – Cllr Carolyn Robbins

### Benefits Operational Dataset

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Number of households in receipt of benefits	6,264	Q2 2016/17				6 - CR Portfolio
Benefits - average end to end time for claims (days)	31.61	September 2016				6 - CR Portfolio

Despite the average end to end time being 1.33 days longer than in August this is nothing to be concerned of when we look at the range per quarter. In Q1 2016/17 the average ranged between 32 and 43 days whereas the Q2 2016/17 average ranges between 30 and 35 showing considerable improvement on time taken in processing claims.

### Revenues Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
% of Council Tax collected (cumulative over 10 months per year)	57.90%	Q2 2016/17	Awaitin authorisation	6 - CR Portfolio
(ex-BV 010) Percentage of Non-domestic Rates Collected (cumulative over 10 months per year)	55.9%	Q2 2016/17	Awaitin authori	6 - CR Portfolio

In agreement with the Revenues Manager as part of the Performance Management Review the targets have been removed and these measures are now Data-Only. This means that trends will be looked at to determine performance.

## Sickness Absence Data Set

Performance Indicator (PI)	Latest Data Available	Performance			Portfolio	
Number of working days lost due to long term sickness absence	463	Q2 2016/17				6 - CR Portfolio
Number of working days lost due to short term sickness absence	438.5	Q2 2016/17				6 - CR Portfolio
Number of staff on long term sickness absence	21	Q2 2016/17				6 - CR Portfolio
Number of staff on short term sickness absence	112	Q2 2016/17				6 - CR Portfolio

## Environment & Public Realm Portfolio – Cllr Lisa Parker

### Recycling Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis		Portfolio	
Cumulative Tonnage of household waste sent for reuse, recycling and composting	6217	Q2 2016/17		N/A	N/A	6 - EPR Portfolio
Percentage of household waste sent for reuse, recycling and composting	52.3%	Q2 2016/17		N/A	N/A	6 - EPR Portfolio

### Flytipping Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis		Portfolio	
No. of Flytipping incidents reported	299	Q2 2016/17				6 - EPR Portfolio

Fly-tipping is on the increase Nationally and various factors affect the number of fly-tips reported. Locally residents are actively encouraged to report fly-tipping. On-line reporting has facilitated this making it simple to do 24/7. Reduced hours at the Hunters Lane HWRC and the requirement to sort waste out at the site into all its elements for recycling may put off people from taking mixed materials there. In areas where there is a high turnover of tenants (generally high density housing areas) there is a marked increase as new tenants dump unwanted items on the footway either on moving out or moving in.

### 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	68.37%	Q2 2016/17	Awaiting data authorisation	6 - EPR Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above	85%	Q2 2016/17	Awaiting data authorisation	6 - EPR Portfolio
% of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above	94.2%	Q2 2016/17	Awaitin authorisation	6 - EPR Portfolio

### Parks Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis	Portfolio
Quality rating of Parks and the Grounds	2.7	Q2 2016/17	  	6 - EPR Portfolio
Average end to end time in days for determining applications of works to protected trees	27.41	Q2 2016/17	  	6 - EPR Portfolio

High volume of work has led to time increase during Q2. However compared to the same time last year there is a 12 day reduction in the time taken to determine applications of works to protected trees.

## Growth & Investment Portfolio – Cllr Heather Timms

### 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)	76 Q2 2016/17	 ↓ ↓	6 - GI Portfolio
<p>7656 visitors to the second floor exhibitions in comparison to 22,170 for Q2 in 2015/16 when the art gallery, museum and floor one gallery were all open. Once the new Archaeology gallery opens on 15 October, the Hall of Fame opens on 18 November and Floor One Gallery reopens in December 2016 visitor numbers are expected to rise. New performance indicators will be put in place to report visitor figures more clearly.</p>			
Visits to and Use of Museums - School Groups	296 Q2 2016/17	 ↓ ↓	6 - GI Portfolio
<p>Significant drop in school visits due to closed museum. Autumn term is generally for Roman related visits. It is anticipated that once the new Archaeology Gallery opens schools will increase in numbers however we may not reach target.</p>			
Museums & Galleries - Enquiries & Presentations (per 1,000 population)	81 Q2 2016/17	 ↓ ↓	6 - GI Portfolio
<p>First floor of the building remains closed due to Hall of Fame build. Art Gallery closed for a week in September for the exhibition changeover. Quarterly total higher than Q4 in 2014/2015, when the Art Gallery &amp; Floor One was closed due to proposed Hall of Fame works. Anticipated this will rise next quarter due to the opening of the Tripointium Gallery and Hall of Fame, and the re-opening of the Floor One Gallery. Future events also include the Big Draw and Hall of Fame launch events, which will raise enquiries.</p>			

### Benn Hall Data Set

Performance Indicator (PI)	Latest Data Available	Performance	Portfolio
Number of room bookings at the Benn Hall	40 September 2016	 ↑ ↑	6 - GI Portfolio
Number of tickets sold at the Benn Hall	805 September 2016	 ↑ ↑	6 - GI Portfolio
Footfall through the door at the Benn Hall	3,104 September 2016	 ↓ ↑	6 - GI Portfolio

### Land Charge Searches Data Set

Performance Indicator (PI)	Latest Data Available		Performance Trend Analysis			Portfolio
Average end to end time for Land Charge Searches (in days)	4.5	September 2016				6 - GI Portfolio
End to end average time increased by 2.26 days during Q2 due to training of a new Land Charges Officer.						

### Sports & Activity 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		N/A	N/A	6 - GI Portfolio
Total grant aid obtained from external funding sources	£57,707.00	Q2 2016/17		N/A	N/A	6 - GI Portfolio
Leisure Centre Visits	48,607	September 2016				6 - GI Portfolio
September 2016/17 saw 6,264 less visitors to the Queens Diamond Jubilee Centre than attended in August. However there were 3,798 more visits than September 2015/16. Overall for Q2 2016/17 there were 158,325 visits compared to Q2 2015/16 where there were only 142,998 visits.						

***AGENDA MANAGEMENT SHEET***

**Report Title:** Local Council Tax Reduction Scheme 2017/2018

**Name of Committee:** Cabinet

**Date:** 28th November 2016

**Report Director:** Head of Corporate Resources and Chief Financial Officer

**Portfolio:** Corporate Resources

**Ward Relevance:** All

**Prior Consultation:** Public Consultation has been undertaken

**Contact Officer:** David Wortley, Benefits Manager, 01788 533440

**Public or Private:** Public

**Report subject to Call-In:** No, as this report will be subject to a final decision by Full Council at its meeting in December 2016

**Report En-Bloc:** No

**Forward Plan:** No

**Corporate Priorities:** This report does not specifically relate to any Council priorities, but should be considered by the Panel / Cabinet for the following reasons:  
This is a legislative requirement rather than a corporate priority.

**Statutory / Policy Background:** The Local Government Finance Bill 2012

**Summary:** To recommend to Full Council the adoption of a Council Tax Reduction Scheme for 2017/2018

**Financial Implications:** Funding for the provision of a Local Council Tax Reduction Scheme is no longer separately identified within the Revenue Support Grant. The cost of awards are met by the major preceptors, however the cost of administering a scheme is borne by Rugby Borough Council.

<b>Risk Management Implications:</b>	There is a statutory requirement to adopt a Local Council Tax Reduction Scheme
<b>Environmental Implications:</b>	none
<b>Legal Implications:</b>	The Council is required to adopt a Local Council Tax Reduction Scheme for the financial year 2017/2018 by 31 January 2017.
<b>Equality and Diversity:</b>	The changes will affect all customers and an Equality Impact Assessment is included with this report.
<b>Options:</b>	<ol style="list-style-type: none"> <li>1. Recommend Full Council to approve all the changes identified</li> <li>2. Recommend Full Council to approve individual changes identified within this report</li> </ol>
<b>Recommendation:</b>	IT BE RECOMMENDED TO COUNCIL THAT the draft Local Council Tax Reduction Scheme be amended as detailed in the report and adopted as the Council's Local Council Tax Reduction Scheme for 2017/2018.
<b>Reasons for Recommendation:</b>	To enable the Council to deliver a Council Tax Reduction Scheme for 2017/2018

**Cabinet - 28th November 2016**

**Local Council Tax Reduction Scheme 2017/2018**

**Report of the Head of Corporate Resources and Chief Financial Officer**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT the draft Local Council Tax Reduction Scheme be amended, as detailed in the report, and adopted as the Council's Local Council Tax Reduction Scheme for 2017/2018.

**1. Background**

- 1.1 The Local Government Finance Bill 2012 requires Councils to design and implement a Local Council Tax Reduction scheme for 2017/2018 by 31<sup>st</sup> January 2017.
- 1.2 The scheme only impacts customers who are of working age. Council Tax Reduction for customers of pensionable age is calculated in accordance with a national scheme and therefore not affected by the proposals contained in this report.
- 1.3 Rugby Borough Council, as the Billing Authority, takes the lead in designing and implementing the local scheme but is required to consult with major precepting authorities (i.e. Warwickshire County Council and Warwickshire Police and Crime Commission).

**2 Review of the existing scheme**

- 2.1 The scheme implemented from April 2013 was designed to;
  - Meet the reduced funding provided by DCLG.
  - To minimise risk of failure by closely resembling the previous Council Tax Benefit scheme.
- 2.2 The scheme has been reviewed to take into account changes to other welfare benefits.
- 2.3 Potential changes have been identified that would replicate these changes in the Local Council Tax Reduction Scheme.

**3. Public Consultation**

- 3.1 Consultation has been undertaken with customers on the proposed changes. Letters were sent to all existing recipients of Local Council Tax Reduction of

Working Age (around 3,000) inviting them to participate in the consultation exercise. Only 22 responses have been received.

- 3.2 Due to the very low level of response, it is not possible to draw any conclusions from the consultation exercise.
- 3.3 A copy of the consultation findings is attached at Appendix A.
- 3.4 Warwickshire County Council and the Office of the Police and Crime Commissioner were consulted on the introduction of the scheme as major preceptors. No responses have been received.

#### **4. Proposed Scheme changes for 2017/2018**

It is proposed to carry forward the scheme for 2016/2017 with the following amendments.

##### **4.1 Figures used in the calculation of Council Tax Reduction**

- 4.1.1 The calculation of Council Tax Reduction compares the income of a customer and family with a set of allowances designed to reflect basic living costs. These figures are collectively known as Applicable Amounts. It is proposed that the figures used in the calculation of Council Tax Reduction are increased in line with those used in the calculation of Housing Benefit and the calculation of Council Tax Reduction for those of pensionable age.
- 4.1.2 The Budget of July 2015 stated that most benefits would be frozen and it is anticipated that this will apply to most of the elements used in the calculation of Council Tax Reduction.

#### **RECOMMENDATION**

**Cabinet is asked to approve the changes to figures used in the calculation of Council Tax Reduction as detailed above.**

- 4.2 The Government intends to restrict the number of Child Premiums included in the calculation of Housing Benefit and Council Tax Reduction for Pensioners to a maximum of two for new claims made on or after 1<sup>st</sup> April 2017, or where an existing customer has a third child on or after 1<sup>st</sup> April 2017.
  - 4.2.1 Those customers who already have a third child included in their calculation of Council Tax Reduction will not be affected by this change.
  - 4.2.2 The Government has indicated that some customers will be exempted from this change, e.g. where twins are born. It is proposed that when the details for these exemptions are finalised, they will be incorporated into the Council Tax Reduction Scheme.

## **RECOMMENDATION**

**Cabinet is asked to approve the restriction of Child Premiums to a maximum of two unless and to adopt any exemptions as introduced for Housing Benefit customers**

### **4.3 Calculation of Council Tax Reduction for customers in receipt of Universal Credit**

4.3.1 With the expansion of Universal Credit an anomaly within the current calculation results in those who pay rent for their home receiving more financial help towards their council tax compared to a customer who does not pay rent.

5.3.2 It is proposed to change the calculation to remove this anomaly.

5.3.3 The numbers of customers affected are currently very low and therefore it will not create a significant saving, but it will ensure that the scheme is more equitable as the number of customers in receipt of Universal Credit continues to grow.

## **RECOMMENDATION**

**Cabinet is asked to approve the change to the calculation of Council Tax Reduction for those in receipt of Universal Credit**

### **6.0 Transitional Protection**

6.1 When making changes to our Local Council Tax Reduction Scheme, consideration has to be given to the requirement for transitional protection. The aim of transitional protection is to provide additional assistance to those customers in receipt of Council Tax Reduction as at 31 March 2017 and adversely affected by the introduction of a new scheme.

6.2 It is proposed that where a calculation of Council Tax Reduction includes more than two Child Premiums on 31<sup>st</sup> March 2017, the customer would be protected from change in para 4.2 above until there is a break in their claim.

## **RECOMMENDATION**

**Cabinet is asked to approve the inclusion of transitional protection in the design of the Local Council Tax Reduction Scheme for 2017/2018.**

### **7. Financial Impact of the Proposals**

7.1 The above changes will have no significant impact on the cost of the scheme,

### **8. Equality Impact Assessment**

8.1 An Equality Impact Assessment for the proposed scheme is attached at Appendix B. Although the proposals identify that families will be affected by these changes, the Council operates a Discretionary Council Tax Reduction Scheme to provide additional support on a case by case basis.

Name of Meeting:  
Cabinet

Date of Meeting:  
28th November 2016

Subject Matter:  
To recommend to Full Council the adoption of a Council Tax Reduction Scheme for  
2017/2018

Originating Department:  
Corporate 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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\* There are no background papers relating to this item.

(\*Delete if not applicable)



**COUNCIL TAX REDUCTION SCHEME  
CONSULTATION  
2016**

**RESULTS**

**Produced by:  
Performance, Consultation & Insight Unit  
Stratford-on-Avon District Council**

**October 2016**

# Rugby Borough Council

## Council Tax Reduction Scheme Consultation 2016

### 1.0 Introduction

Rugby Borough Council introduced a Local Council Tax Reduction Scheme in April 2013 following the abolition of the previous national Council Tax Benefit Scheme. The local scheme was devised by the Council and allowed them to create a scheme for residents of working age.

Rugby Borough Council consulted with their residents, to find out their views on some proposed changes; the way in which it is calculated, limits to the number of children in the calculation and connections with universal credit.

The outcome of the consultation will be reported to Councillors when they consider changing the current scheme at their meeting in December 2016.

### 2.0 Methodology

The questionnaire was made available on the Rugby Borough Council website for anyone to complete. Paper versions were distributed on request for those not able to or not wanting to complete the survey online.

The survey period was from 3<sup>rd</sup> October to 23<sup>rd</sup> October 2016. 22 responses were received in the timeframe allowed, 13 by post and 9 online.

Alongside the questionnaire a summary explaining the changes in more detail was enclosed. All three proposals were explained in more depth to put context on the questions in the survey.

The Stratford-on-Avon District Council Consultation Unit undertook the survey on behalf of Rugby Borough Council.

### 3.0 Results

#### **Proposal 1 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two**

Currently the calculation for customers with children includes an allowance of £66.90 for each child within the applicable amount. There is no limit to the number of children taken into account in the calculation. The Government has already announced that from April 2017, a maximum of two children will be taken into account for Housing Benefit and other welfare benefits.

This change will affect those customers who have a third or subsequent child born on or after 1st April 2017. There will be exemptions where a customer has twins, etc. or where children are adopted or households merge.

It is proposed that the changes being introduced into Housing Benefit and other national benefits are reflected in our Council Tax Reduction Scheme.

**Why is the Council looking to make this change?**

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme reflects changes being made to Housing Benefit and other welfare benefits.

**Who will be affected?**

Customers who have a third or subsequent child on or after 1st April 2017 (unless they fall into an exempt category) may receive less support compared to a customer who had a third child born on or before 31st March 2017.

Q1	Do you agree with this proposed change to the scheme?					
	Yes.....	10 (53%)	No .....	6 (32%)	Don't know.....	3 (16%)

**Q1a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

6 comments in appendix

**Proposal 2 – Figures used in the calculation of Council Tax Reduction**

The calculation of Council Tax Reduction compares the income of a customer and family with a set of allowances designed to reflect basic living costs. These figures are collectively known as Applicable Amounts.

It is proposed that the figures used in the calculation of Council Tax Reduction are in line with those used in the calculation of Housing Benefit and the calculation of Council Tax Reduction for those of pensionable age.

It has previously been announced that the majority of these allowances will remain frozen at their current values.

**Why is the Council looking to make this change?**

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme reflects changes being made to Housing Benefit and simplifies administration.

**Who will be affected?**

All customers of working age will be affected by this change. The proposal will mean that allowances are generally not increased in line with inflation.

Q2	Do you agree with this proposed change to the scheme?					
	Yes.....	5 (25%)	No .....	7 (35%)	Don't know.....	8 (40%)

**Q2a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

9 comments in Appendix

**Proposal 3 - Customers in receipt of Universal Credit**

The current scheme includes an anomaly whereby customers who pay rent for their home, receive more Council Tax Reduction compared to those who own their own home.

It is intended to remove this anomaly from the scheme.

**Why is the Council looking to make this change?**

The council is looking to make this change because it will ensure that the Council's Council Tax Reduction scheme treats customers who rent or own their homes on an equal basis.

**Who will be affected?**

Customers of working age who receive Universal Credit and pay rent for their home may receive less Council Tax Reduction than currently received.

<b>Q3</b>	<b>Do you agree with this proposed change to the scheme?</b>					
	Yes .....	11 (55%)	No .....	5 (25%)	Don't know.....	4 (20%)

**Q3a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

6 comments in Appendix

**Any Other Comments****Q4 Please use this space to make any other comments on the Council Tax Reduction Scheme or other suggestions for changes to the scheme that you would like the Council to consider.**

9 comments in Appendix

**Questions About You**

<b>Q5</b>	<b>Do you pay Council Tax to Rugby Borough Council?</b>					
	Yes .....	20 (95%)	No .....	1 (5%)	Don't know.....	0 (0%)

<b>Q6</b>	<b>Do you or anyone you live with receive Council Tax Reduction?</b>					
	Yes .....	15 (75%)	No .....	4 (20%)	Don't know.....	1 (5%)

<b>Q7</b>	<b>Are you...?</b>			
	Male .....	7 (32%)	Female .....	15 (68%)

<b>Q8</b>	<b>How old are you?</b>					
	Under 18 .....	0 (0%)	30-44 .....	6 (29%)	60-74 .....	3 (14%)
	18-29.....	0 (0%)	45-59.....	11 (52%)	75+.....	1 (5%)

<b>Q9</b>	<b>Does your household include any children or young people under 19?</b>			
	Yes .....	9 (45%)	No.....	11 (55%)
	If yes, how many?			
	1 .....	6 (42%)	2 or more.....	3 (58%)

<b>Q10</b>	<b>Do you have a long-standing illness or disability (long-standing means anything that has troubled you over a period of time or that is likely to affect you over a period of time)?</b>			
	Yes .....	12 (60%)	No .....	8 (40%)

<b>Q11</b>	<b>How would you describe your ethnic origin?</b>			
	White.....	18 (95%)	Mixed.....	1 (5%)
	Asian or Asian British.....	0 (0%)	Chinese.....	0 (0%)
	Black of Black British.....	0 (0%)	Any other ethnic group .....	0 (0%)

# APPENDIX

**Q1a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

6 comments

I don't agree even know I'm not pregnant or planning to be but the government can managed to spend money on stupid things like building a load of new shops on Elliott field and elsewhere when they are also closing half the shops down in town, but yet can't help families that need it to help support them
Not fair on large families, on low incomes
It seems reasonable that children will need a room of their own at some point, and this impacts the family costs greatly. Many people do not 'choose' to have additional children, and a reduction will not prevent people from having children, it will simply impact a family's ability to support their children. Child poverty is increasing greatly in our country, and we must not continue to make cuts that add to this.
The limit of 2 children is unfair for a working family. I think it should be a limit of 3 children as this reflects a more average UK working family.
We do not have children Mr & Mrs xxx
I think Council Tax reduction should be frozen and stay exactly the way it is now. Everything is getting more and more expensive and none of us can afford to be paying out more money

**Q2a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

9 comments

Customers with disabilities never have their contribution towards care taken into account when calculating a final cost. The basic income figures you work off are not a true reflection of affordability in these cases.
It is unclear from this explanation what the outcome/consequence of doing so would be upon people. However, I do know that the applicable amounts applied to housing benefit seem to continually change and cause a mountain of paperwork to be sent out to customers/clients that is overwhelming and confusing.
I would say yes if the council tax was also frozen. I think the inflation in the council tax should be in line with the figures used for applicable amounts
the whole system seems to be crushing the finances of the lowest earners and as most people who are working and have children who are on a low income, the cuts affect the children the most, which is unfair
xxx don't work as he got T.B. I am working part time in two schools I hope it don't go up as I can only pay the amount I pay in 2017. If it goes up I might have problems to pay my bills as only me xxx working and xxx do not get any signing on or no help from the Council to help pay my bills as are married 20.12 xxx name is on the Council Tax Bill
Not sure as I am not aware of the formula being used to assess me!
UK is coming out of the EU so most things will go up in price but the govt won't put up more money in benefits to pay you
Surely all allowances should have an annual increase in order to reflect inflation, otherwise, families will fall behind the cost of living and maybe into poverty/child poverty
The general public are paying enough on everything in life now. We do not need more expense on top. It should be frozen

**Q3a If you do not agree with this proposal please say why you disagree with it and what alternative (if any) you would like to propose.**

6 comments

Because people that own their own house are more than likely able to afford there council tax and are in work, people on benefits can't afford to buy their own home there for need the help with rent and council tax. I still think that people that do own their own house but are single parents should get help towards cost of there home though
People in rented accommodation need more help, because they cannot afford their own home.
This makes sense, and appears to be applying a fair concept across the board.
I don't think anyone should necessarily receive less, but reductions should be fair
because if you own your own home, surely you are in a more fortunate position anyway to someone who has to continually move from rental property to rental property.
I don't mind as long our Council Tax do not go up as there only one person working me in this house and I do not want to go into debt as I cannot pay more Council Tax

**Q4 Please use this space to make any other comments on the Council Tax Reduction Scheme or other suggestions for changes to the scheme that you would like the Council to consider.**

9 comments

There isn't a lot you can do but help is truly appreciated from myself. Although at working age and would dearly love to work, I cannot due to a disability.
I receive differing amounts of wages, throughout the year, so then I get differing Council Tax bills throughout the year. I think a better way, is to take my P60, each year and then work out one Council Tax bill each year.
Because it's hard to fathom if I have a future at work because of being a post-operative cancer patient, it is very hard to work out future income. Those who have the "security" of regular employment are in a better position to calculate income but those who lack security need further, careful consideration.
Why can't PIP be included as a benefit? Just feels that you can get help with everything if you have the appropriate Benefit. I am struggling because I was wrongly accused of trying to defraud the council or housing benefit system and was taken to court without any notification from yourselves. A total injustice. I have never caught up with my accounts because you take so much off me a month I was issued with a termination of tenancy yesterday because there had been insufficient funds in my account so rent not taken. I have lived in this property since May 1976. I have been fighting this since day 1 but no one will accept this error might have been one of your employees taking a message over a phone and I ended up with a CCI. I have an illness which causes me a problem trying to deal with financial matters but I think any help you can offer reducing council tax would be a bonus. I know how important it is to be on top of your council tax which is why I would have liked my pip to be classed as a benefit. I am an OAP had to give up work following the deaths of my husband and son who lived with me up to the tragic accident when they were killed outright by a twice failed asylum seeker who had no licence insurance etc etc.....I returned to work as an Assistant General Manager for the NHS as I had for 27 years but became ill 12 months later and retired in 2012 as I had to have several surgeries. I lost everything but this overpayment when I was told I qualified for help has ruined me mentally and financially. I worked for my pensions which amount to very little but it appears too much, I wonder then why I am struggling so much you take £158 plus 60 per month off me. It should have been £100 per month according to your officers and ccj. I have no comforts but have now got to cancel sky my only pleasure. I know people who do qualify for

hour benefits and reductions who spend their money on bingo, drugs, cigs, booze etc. So wrong.
The council tax reduction system is very confusing, and currently makes it difficult for people to make changes to living arrangements. For example I am a disabled single parent. I have a spare room, but cannot use it for a carer, because I will then lose my single person discount, which will more than double my care-costs. It also prevents people from helping each other. For example I know an elderly lady who it would benefit to live with someone for her physical safety, and myself that needs emotional support. In theory she could move in with me, care for me, and I for her, but the system makes this too complicated for two disabled people to face. And we would both lose council tax reductions in doing so, even though our finances would not be linked. It would be good if there were a system in place to support people in supporting each other, and overall the council would save money anyway, without charging us further fees.
I honestly think the cuts are already enough and will crush more lives in terms of relationships, finances and mental health if more cuts and hardship are enforced. I understand that council budgets are tight but there surely has to be another way of saving money in the budget as it is too much for the low income working family to bear the burden.
Think of the families and one parents who don't have any money to pay the bill and think of the married couple who only have one member of the family working trying to keep things going
I do not agree with any of the proposals outlined as customers are being asked to make a choice between those who will receive financial assistance and those who will not. I was extremely worried when I was asked to find £14 a month from my benefit. The choice that I was left with was eat less or use less fuel. My income falls within the bottom 2% of all income and therefore, I should not be asked to find further savings. There is nothing left in my economy!!! I 'am asking the Council to seriously consider reinstating full Council Tax benefit to those that need it most. The harsh reality is eating less or not heating my home. These are desperate times and I hope that the Council recognises this
People on benefits how can they pay more? Simply put you cannot get blood from a stone. Defaults will increase

# **EQUALITY IMPACT ASSESSMENT/ ANALYSIS (EqIA)**

**Council Tax Reduction Scheme 2016**



## Equality Impact Assessment

<b>Service Area</b>	<b>Resources</b>
<b>Policy/Service being assessed</b>	<b>Council Tax Reduction Scheme</b>
<b>Is this is a new or existing policy/service?</b>	Revised scheme to be introduced from April 2017
<b>If existing policy/service please state date of last assessment</b>	November 2015
<b>EqlA Review team – List of members</b>	David Wortley
<b>Date of this assessment</b>	27 October 2016
<b>Signature of responsible officer (to be signed after the EqlA has been completed)</b>	

**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](mailto:minakshee.patel@rugby.gov.uk) or 01788 533509.**



## 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)					
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Council Tax Reduction Scheme			X			X		X				X			X		X				X	X								
Are your proposals likely to impact on social inequalities e.g. child poverty for example or our most geographically disadvantaged communities? <b>If yes please explain how.</b> The new scheme will see a change in the calculation of Council Tax Reduction for those customers who have a third child after the introduction of the new scheme, or where a customer with three or more children make a new claim for Council Tax Reduction . This is due to the fact that one of the components used in the calculation, known as the child premium, is being restricted to a maximum of two children. This means that these customers will receive less help towards their Council Tax. This change will mirror changes being made to Housing Benefit, certain circumstances e.g. birth of twins will exempt customers from																														
<b>YES</b>																														

Appendix B

this change. A discretionary fund is also available to provide additional support on a case by case basis.	
Are your proposals likely to impact on a <b>carer</b> who looks after older people or people with disabilities? <b>If yes please explain how.</b> Income from disability living allowance, personal independence payments, war disablement pensions or war widow's pensions will also be disregarded, however support may be required to assist customers who will face paying larger Council tax bills than previously. A discretionary hardship fund will be available to provide additional support in appropriate cases.	YES

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

<b><u>Stage 1 – Scoping and Defining</u></b>	
(1) What are the aims and objectives of Plan/Strategy/Service/Policy?	The scheme is designed to assist customers pay their Council Tax with effect from April 2017.
(2) How does it fit with Rugby Borough Council's Corporate priorities?	It is a statutory duty for the Council to provide a Local Council Tax Reduction Scheme.
(3) What are the expected outcomes?	The Council needs to develop a scheme of support that will be based on a fixed grant basis rather than being demand led.
(4) Which of the groups with protected characteristics is this intended to benefit? (see form A1 for list of protected groups)	All customers will be able to apply for assistance with the payment of Council Tax. This will be based on the income received by the household compared to the basic cost of living calculated by the Council for each applicant.
<b><u>Stage 2 - Information Gathering</u></b>	
(1) What type and range of evidence or information have you used to help you make a judgement about the plan/ strategy/ service/ policy?	Council Tax Reduction caseload data for 2016/2017. This has enabled the impact of the new scheme to be modelled for individual customers.
(2) Have you consulted on the plan/ strategy/ service/policy and if so with whom?	Public consultation has been undertaken during September and October 2016.
(3) Which of the groups with protected characteristics have you consulted with?	The consultation was open to all.

<b>Stage 3 – Analysis of impact</b>			
<p>(1) From your data and consultations is there any adverse or negative impact identified for any particular group which could amount to discrimination?</p> <p>If yes, identify the groups and how they are affected.</p>	<p>RACE No</p>	<p>DISABILITY No. Income from disability living allowance and personal independence payments will be disregarded when calculating entitlement</p>	<p>GENDER No</p>
	<p>MARRIAGE/CIVIL PARTNERSHIP No</p>	<p>AGE Yes – only working age claimants will be affected</p>	<p>GENDER REASSIGNMENT No</p>
	<p>RELIGION/BELIEF No</p>	<p>PREGNANCY MATERNITY Yes Customers who have their third child in the new financial year or have a break in claim will receive less support compared to a similar customer already in receipt of benefit who will be protected from the changes within the scheme.</p>	<p>SEXUAL ORIENTATION No</p>
<p>(2) If there is an adverse impact, can this be justified?</p>	<p>The changes are in line with changes being introduced within Housing Benefit</p>		

(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.)	A discretionary fund will be available to provide additional support in exceptional circumstances. This will be dealt with on a case by case basis.
(4) How does the plan/strategy/service/policy contribute to the promotion of equality? If not what can be done?	N/A
(5) How does the plan/strategy/service/policy promote good relations between groups? If not what can be done?	N/A
(6) Are there any obvious barriers to accessing the service? If yes how can they be overcome?	None

<b><u>Stage 4 – Action Planning, Review &amp; Monitoring</u></b>																														
<p>If No Further Action is required then go to – Review &amp; Monitoring</p> <p>(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.</p>	<p>EqlA Action Plan</p> <table border="1" data-bbox="875 1145 2112 1372"> <thead> <tr> <th data-bbox="875 1145 1122 1222">Action</th> <th data-bbox="1122 1145 1368 1222">Lead Officer</th> <th data-bbox="1368 1145 1615 1222">Date for completion</th> <th data-bbox="1615 1145 1861 1222">Resource requirements</th> <th data-bbox="1861 1145 2112 1222">Comments</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Action	Lead Officer	Date for completion	Resource requirements	Comments																				
Action	Lead Officer	Date for completion	Resource requirements	Comments																										

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

The Council Tax Reduction Scheme is subject to annual review

***AGENDA MANAGEMENT SHEET***

<b>Report Title:</b>	Draft Housing Revenue Account Capital & Revenue Budgets 2017/18 and Medium Term Financial Plan 2017-21
<b>Name of Committee:</b>	Cabinet
<b>Date:</b>	28th November 2016
<b>Report Director:</b>	Head of Communities and Homes and Head of Corporate Resources and Chief Financial Officer
<b>Portfolio:</b>	Communities and Homes
<b>Ward Relevance:</b>	All
<b>Prior Consultation:</b>	None
<b>Contact Officer:</b>	Mannie Ketley, Head of Corporate Resources and Chief Financial Officer 01788 533416 Raj Chand, Head of Communities and Homes 01788 533737
<b>Public or Private:</b>	Public
<b>Report subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	People - Facilitate the provision and upkeep of good quality housing to meet local needs and to cater for the growth of Rugby
<b>Statutory / Policy Background:</b>	The Council has a statutory duty to set an annual Housing Revenue Account (HRA) revenue budget that will enable it to determine the level of council house

rents.

**Summary:**

The primary purpose of this report is to present a summary draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2017/18 based on initial budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix D).

**Financial Implications:**

The financial impact of the 1% rent cut on the Council's capacity to meet its HRA self-financing debt repayment schedule was outlined to Cabinet in January 2016. This report sets out the estimated debt rescheduling and other measures implemented to ensure the HRA does not fall into deficit from 2017/18 onwards.

**Risk Management Implications:**

There are no risk management implications arising from this report

**Environmental Implications:**

There are no environmental implications arising from this report.

**Legal Implications:**

There are no legal implications arising from this report.

**Equality and Diversity:**

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

**Options:**

Not applicable

**Recommendation:**

1. The draft revenue and capital budgets at Appendices A and B for 2017/18 be noted; and
2. a draft Disposals Strategy be established for consideration and approval following the publication of final details of the Vacant High Value Local Authority Housing policy.

**Reasons for Recommendation:**

To give Cabinet an initial view of the Housing Revenue Account capital and revenue budgets for 2017/18 onwards.

**Cabinet - 28th November 2016**

**Draft Housing Revenue Account Capital & Revenue Budgets  
2017/18 and Medium Term Financial Plan 2017-21**

**Report of the Head of Communities and Homes and Head of  
Corporate Resources and Chief Financial Officer**

**Recommendation**

- (1) The draft revenue and capital budgets at Appendices A and B be noted; and
- (2) a draft Disposals Strategy be established for consideration and approval following the publication of final details of the Vacant High Value Local Authority Housing policy.

**1. INTRODUCTION**

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

The Council has a retained housing stock of nearly 3,800 homes and manages an additional 60 leasehold properties with an annual rent roll in excess of £16m.

The primary purpose of this report is to present a summary draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2017/18 based on initial budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix D).

Cabinet will consider a further detailed update on the draft revenue and capital HRA budgets in January 2017 prior to final budget and rent setting at Full Council on 7th February 2017.

## **2. BUDGET AND POLICY FRAMEWORK**

In accordance with the constitution, the Council is required to carry out an annual review of rents and notify tenants not less than 28 days prior to the proposed date of change. In addition, the Council is required under the Local Government and Housing Act 1989 to ensure that the Housing Revenue Account (HRA) does not fall into a deficit position.

Government introduced a number of changes to the social housing market via the Welfare Reform and Work Bill and the Housing and Planning Bill during 2016 which will have a direct impact upon future funding and costs to the HRA. The Council has yet to receive consultation papers or implementation plans on a number of areas, but below is a summary of policy change to date:

### **a) Extended Right to Buy – Vacant High Value Local Authority Housing**

The Government has confirmed its intention to introduce the Right to Buy (RTB) to housing association tenants granting them the same rights as local authority tenants. Limited details of how the scheme will operate were contained within the Housing and Planning Bill 2016. A number of pilot schemes have commenced in 2016/17.

In order to fund this initiative, the Government will require a lump sum payment from local authorities each year based on an estimate of the market value of vacant 'high value' stock that can be sold on the open market. The proceeds will then be given to the housing associations to cover their financial losses from the RTB. The exact details on how this scheme will work and what will be classed as a 'high value' property are unknown at this stage. Unless specific exemptions are granted new build and rural properties are likely to be most at risk.

When final details of the scheme are published it is recommended that the Council consider and approve a Disposals Strategy to fulfil the objectives of the policy and ensure best use of resources and investments which increase or improve the efficiency of HRA asset holding. Subject to the provisions of the Vacant High Value Local Authority Housing regulations, the Disposal Strategy will look at the composition, location, and financial return of the existing HRA asset holding and how best to align investment and disposal decisions with corporate priorities, including investment for new build/acquisitions to provide new affordable homes.

### **b) 1% Rent Cut**

As part of the Welfare Reform and Work Bill, the Government announced that a 1% rent cut would come into effect from 1st April 2016 for a four year period. Previous rent guidance for the period 2014/15 until 2024/25 had been for councils to increase rents by a maximum of the Consumer Prices Index (CPI) plus 1%. In 2017/18 this would have equated to a 2.0% rent rise. Using Bank of England forecasts for CPI inflation during the period 2016/17 to 2019/20 the cumulative rent loss (the difference between the amount by which rents would have

increased and the amount by which they will be reduced) is approximately 12%. Based on stock levels prior to this change, the rental loss for the Council in the first two years of the policy (2016/17 and 2017/18) is £0.775m and during the period 2016/17 to 2019/20 will be £5.107m

### **c) Lifetime Tenancy Review**

Although no timescale has been announced, the Government has signalled its intention to legislate for the imposed use of flexible tenancies. Whilst it is anticipated there will be some consideration of more vulnerable tenants, such as older people living in older persons accommodation, the automatic granting of lifetime tenancies will end.

Council will be required to set guidelines on tenancy tenures within the framework of the legislation which will in turn impact on the level of administration required in drawing up new tenancies and the numbers of void properties being dealt with.

### **d) Reduction in the Benefit Cap**

For all regions except London, the benefit cap has been reduced from £26,000 to £20,000 from April 2017.

### **e) Pay to Stay**

The Government has announced that any tenant earning over £31,000 (£40,000 in London) will be required to pay the market or 'near market' rent for their home. Housing Associations will be allowed to keep the additional revenue, whilst local authorities will be required to pay the difference to the treasury.

Following consultation with the sector in autumn 2015 the policy was reviewed to introduce:

- A taper system whereby for every additional £1 of income above the threshold (£31,000) a household will pay an extra 15p in rent;
- An exemption for any household in receipt of Housing Benefit or Universal Credit; and
- A commitment to allow local authorities to "retain reasonable costs" in implementing the policy

Full details on matters relating to powers and capacity to collect income data and the level of funding meant by "reasonable costs" to implement the change have yet to be outlined.

An indirect impact of the policy introduction may be an increase in Right-to-Buy (RTB) applications as tenants evaluate the costs of market rent against mortgage repayments.

As details of the above policy decisions are settled future iterations of the HRA draft revenue and capital budgets for 2017/18 and Medium Term Financial Plan will be amended.

### **3. REVIEW OF HRA BALANCES**

The HRA draft budget for 2017/18 (Appendix A) takes into account the effect of the 1% rent reduction and the longer term HRA business plan has also been updated to reflect the changes where the impact can be forecast. As noted at budget setting 2016/17 HRA balances would fall into deficit from 2017/18 onwards without corrective action.

#### **HRA Revenue Balance**

The level of the HRA Revenue balance was re-assessed in 2016/17 in light of potential risks arising from the Council's capacity to manage in-year budget pressures and the wider reform and regulatory environment (see Appendix C). A working balance of £1.1m was considered prudent for the purposes of the medium term financial plan. This assessment has been re-run for 2017/18 and a working balance of £1.1m is still considered prudent to accommodate risk factors including further changes in national rent policy and pay and materials cost inflation.

#### **Major Repairs Reserve**

The Major Repairs Reserve (MRR) reflects the need to replace major components as they wear out. This funding, together with previous allocations of supported borrowing and revenue contributions, has enabled the Council to maintain the housing stock in a good condition. The forecast balances over the period of the medium term financial plan are as follows:

2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
1,030	2,774	4,613	7,239

#### **Housing Repairs Account**

The Housing Repairs Account is an earmarked reserve to mitigate the risks associated with cyclical and responsive repairs over time. The forecast balances over the period of the medium term financial plan are as follows:

2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
831	831	831	831

## Housing Capital Balances

In addition to the above, the Council has also made revenue contributions set aside for capital expenditure in prior years to fund new build, estate regeneration, and other works. The forecast balances over the period of the medium term financial plan are as follows:

2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
10,777	9,097	7,417	5,737

## 4. MEDIUM TERM FUNDING OPTIONS

The financial impact of the 1% rent cut on the Council's capacity to meet its HRA self-financing debt repayment schedule was outlined to Cabinet in January 2016. The forecast deficits on the HRA income and expenditure account at the time were as follows:

2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
-1,749	-2,497	-3,356	-4,192	-4,495

From the options available to fund the deficit, Cabinet recommended a mixed approach of identifying savings/efficiencies across Repairs and Maintenance / Supervision and Management and reducing the levels of amounts set aside for the repayment of debt until rents are again at a level to meet repayments.

In the current estimates for 2017/18 the decrease in expenditure is as follows:

	2016/17 Revised Budget £'000	2017/18 Original Budget £'000	Variance £'000
Transfer to Housing Repairs Account	3,329	3,086	243
Supervision and Management	4,882	4,563	319
Total	8,168	7,649	519

The above represent on-going savings that have been built into the base budget assumptions within the Medium Term Financial Plan at Appendix D.

The levels above include any direct savings arising from the proposed voluntary redundancy programme to be agreed by Council subject to approval of the payback rationale and service impact. Indirect savings, resulting from a potential reduction in support service recharges arising from the same programme and other measures including the digitalisation agenda, will be included in future iterations of the budget, subject to approval by Council.

The restructured debt repayment profile to produce a balanced budget and maintain reserves at a prudent level as specified in section 2 are as follows:

Financial Year	Original Debt Repayment Schedule £'000	Revised Debt Repayment Schedule £'000
2017/18	7,200	5,264
2018/19	7,600	4,880
2019/20	8,000	4,482
2020/21	8,500	4,733
2021/22	8,900	4,456
2022/23	6,500	4,736
2023/24	4,907	3,371
2024/25	-	3,595
2025/26	-	3,826
2026/27	-	4,067
2027/28	-	4,317
2028/29	-	3,880
	51,607	51,607

A reduction/deferral of debt repayments will increase the net interest payable by the HRA during this period. Debt rescheduling will be undertaken in conjunction with the principles set out in the Council's Treasury Management Strategy. The indicative impact of the rescheduling above is a cost to the HRA of £2.756m in increased interest payments/loss of investment income during the period 2017/18 to 2028/29.

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

The remainder of the report concentrates on proposals for 2017/18 including:

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

## 5. RENT

### Background

The Welfare Reform and Work Bill 2015 introduced a requirement for local authorities and other registered providers to reduce rents by 1% a year for four years beginning 2016/17. Previous guidance (Spending Review 2013) was for registered providers to increase rents by no more than the Consumer Price Index (CPI) inflation

rate plus 1% per year. In 2017/18 this would have produced a rent increase of 2.00%. The Council implemented the rent change in 2016/17, with an estimated rent differential over the 4-year period of £5.107m.

Following scrutiny of the bill in the House of Lords, exemption from the policy was granted for one year for sheltered accommodation. Special Council on 1<sup>st</sup> March 2016 therefore recommended that rents for properties in this group were frozen. For the purposes of establishing rent income estimates for 2017/18 it has been assumed that the exemption will not continue beyond 2016/17. The 2016/17 rent freeze produced additional income of £52,160 which is being utilised to provide improvements to sheltered housing blocks.

Properties below target rent (the equivalent rent in the Housing Association sector) are still allowed to have rents uplifted to that rate at the point of vacancy and subsequent relet, with rents then decreased by 1% in the next financial year. It is estimated that 175 homes below target rent will be relet during 2017/18 based on historic trends.

Rent estimates for 2017/18 assume a stock level of 3,795 HRA properties at the start of April 2017 reducing by an estimated 30 right to buy properties in year. A void rate of 1.00% is estimated for 2017/18 (see page 9 for details.)

### Rent Calculation

The calculations for rents are based on average rents over the entire year, i.e. without any free weeks. The percentages applied to this may not be the same as the ones applicable when considering a 48 or 49-week rent year. 2017/18 is a 48-week rent year and therefore rents will be charged accordingly.

The following calculations are based on stock numbers as at September 2016.

	<b>2016/17</b> <b>£'s</b>	<b>2017/18</b> <b>£'s</b>	<b>Average</b> <b>%</b> <b>Decrease</b>	<b>Average</b> <b>£</b> <b>Decrease</b>
<b>Average Weekly Rent</b> <b>(52 week basis)</b>	<b>84.06</b>	<b>83.22</b>	<b>1.00</b>	<b>0.84</b>

Since 2017/18 is a 48-week rent year the rents will be charged accordingly and therefore the figures shown here are for illustrative purposes. Rental income from dwellings of £16.307m for 2017/18 has been included within the draft HRA revenue budgets as shown in Appendix A.

## 6. SERVICE CHARGES

In line with government guidance, the Council carried out an exercise of depooling rent and service charges in 2006/07. This enabled tenants to see the estimated

amount spent on services that had previously been included within the rent. Service charges are estimated at £1.442m in 2017/18 (including a void allowance of 1.00%).

Better procurement practices and monitoring have continued to result in mitigating the impact of utility and other service cost inflation on the Council's corporate and housing assets during 2016/17. As a consequence, service charges for gas and cleaning will fall or remain unchanged in 2017/18 subject to final estimates of costs.

The average weekly impact upon service charges arising from the estimates of costs associated with that service in 2017/18 (on a 48 week basis) is as follows:

Charge Type	Average Change p/w £
<b>Communal Lighting - Electricity</b> (Rebateable – eligible for Housing Benefit)	-0.21
<b>Communal Heating - Gas</b> (Rebateable – eligible for Housing Benefit)	0.00
<b>Communal Cleaning</b> (Rebateable – eligible for Housing Benefit)	0.00
<b>Communal Heating – Gas</b> (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	0.00
<b>Concierge Charge</b> – tenants at Skiddaw, Pettiver Crescent, low level Rounds Gardens (Rebateable – eligible for Housing Benefit)	0.64
<b>Estate Officer Charge</b> – tenants at Multi Storey Flats (Rebateable – eligible for Housing Benefit)	0.05
<b>Warden Service Charges</b> – Sheltered Housing (Rebateable – eligible for Housing Benefit)	0.10

## 7. PERFORMANCE MANAGEMENT

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

### Void Management

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

For 2017/18 the target for void property rent and service charge loss will be set at 1.00%, equating to £164,210. Most recent performance data shows void loss running at 0.80%.

## **Rent Collection/Bad Debt Provision**

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

Government had originally intended to introduce Universal Credit on a phased basis from October 2013. However, full Borough-wide implementation for new claimants was not introduced until October 2015 and the transition for existing claimants is scheduled for completion in 2021/22.

The level of rent arrears has been reviewed in year, and the HRA's contribution to bad debt provision has been estimated at £131,250 in 2017/18 reflecting the above circumstances.

## **8. EXPENDITURE – ASSUMPTIONS**

### **Employee costs**

The HRA budgets are based on the current staffing establishment and an estimated increase in pay of 1% for 2017/18. Progression through pay scales and increased employer contributions to the Local Government Pension Scheme have also been included in the base budget. In addition the HRA will contribute an estimated £13,000 towards the apprenticeship levy to be introduced in 2017/18.

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

### **Utility Costs**

Gas and electricity costs have been estimated to attract the following inflation in 2017/18:

	Inflation Rate
Gas	0%
Electricity	0%

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

### **Central Recharges**

These costs are currently estimated at £1.538m in 2017/18 and include the HRA's proportion of Corporate Property, ICT, Legal, Human Resources, Payroll and other costs.

## **Charges for Capital**

DCLG and the Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidelines regarding council dwelling depreciation and impairment to coincide with the introduction of 'self-financing'. Depreciation is used to provide a measure of the cost of the economic benefits embodied in an asset that have been consumed during the year. Estimates for 2017/18 charges are based around this guidance and there is a decrease of £124,630 on financial year 2016/17. If the final depreciation charge is less than the estimate, the excess is transferred to the Major Repairs Reserve to ensure with the smoothing of costs over the medium term.

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

The HRA business plan initiated at the point of self-financing assumed that all in-year surpluses would be utilised in the repayment of debt subject to the maintenance of a prudent HRA working balance. Prior to the introduction of the 1% rent cut, estimates were that the HRA self-financing debt allocation of £72.949m would be repaid in 2024 (12 years following the settlement). Section 3 outlines the revised schedule of debt repayment and associated interest payment impact. Unlike the General Fund, there is no statutory requirement to set aside money from revenue for debt repayment within the HRA allowing flexibility to adjust debt repayment in light of HRA business planning needs in future years.

## **9. HOUSING REPAIRS & MAJOR WORKS**

### **Housing Repairs**

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

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

The transfer to the Housing Repairs Account in 2017/18 is estimated at £3.086m (£3.329m 2016/17). The decrease (£0.243m) is accounted for by:

- Savings in responsive repairs arising from the introduction of the new Integrated Repairs Service software and new ways of working in 2016/17, notably:
  - Materials stockholding;
  - Fuel/vehicle efficiency; and
  - Use of external contractors.
- A decrease in cyclical gas servicing costs arising from procurement savings and decreasing stock levels; and
- Reduced requirement for cyclical repainting subsequent to the window and door replacement capital programme.

## Major Works

The Council is required to produce a capital programme which takes account of at least the next three financial years. A detailed stock condition survey was undertaken during 2012/13 and 2013/14 resulting in recommendations for planned capital works during the course of the HRA business plan. The work programme arising from these condition surveys is summarised in Appendix B and includes the following significant expenditure areas:

### Heating Upgrades (£750,000)

The proposals for 2017/18 include a heating upgrade programme of approximately 230 properties as identified from work undertaken during the most recent stock condition survey.

### Bathrooms (£315,000)

The proposals for 2017/18 include a bathroom replacement programme of approximately 110 properties as identified from work undertaken during the most recent stock condition survey.

### Kitchens (£700,000)

The proposals for 2017/18 include a kitchen replacement programme of approximately 210 properties as identified from work undertaken during the most recent stock condition survey.

### Acquisitions (£1,685,000)

To maintain compliance with its retained Right-to-Buy 1-4-1 Agreement with the Department for Communities and Local Government (DCLG) the Council will acquire approximately 12 properties in 2017/18. The average cost of acquisition is £140,000 of which a maximum 30% (£42,000) is funded via Right-to-Buy sales receipts.

## 10. CONCLUSION

The estimates contained within this report represent the most up-to-date information and sensitivity analysis available in preparing the HRA revenue budget for 2017/18 and the HRA medium term financial plan 2017-21. Further changes may arise from the following operational and policy areas:

- Updated regulations surrounding the sale of 'high value' properties
- Updated regulations / consultation on 'Pay to Stay' and associated impacts on RTB sales
- Revisions to inflation estimates impacting construction industry materials and labour costs
- Impact of National Living Wage and Apprenticeship Levy
- Direct and indirect impact of efficiency measures arising from:
  - Voluntary redundancy
  - Digitalisation measures
  - Structure and delivery mechanisms of support service recharges

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

Name of Meeting:  
Cabinet

Date of Meeting:  
28th November 2016

Subject Matter:  
Draft Housing Revenue Account Capital and Revenue Budgets 2017/18 and Medium  
Term Financial Plan 2017 – 21

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)

**DRAFT REVENUE BUDGETS 2017/18 SUMMARY****HOUSING REVENUE ACCOUNT**

	<b>2016/17 Original Budget £</b>	<b>2016/17 Revised Budget £</b>	<b>2017/18 Draft Budget £</b>	<b>Notes</b>
<b>INCOME :-</b>				
Rent Income From Dwellings	-16,347,600	-16,422,600	-16,307,320	1
Rent Income From Non - Dwellings	-280,640	-205,640	-173,500	2
Charges For Services	-1,408,750	-1,410,420	-1,442,490	3
Contributions Towards Expenditure	-274,980	-274,980	-215,340	
<b>Total Income</b>	<b>-18,311,970</b>	<b>-18,313,640</b>	<b>-18,138,650</b>	
<b>EXPENDITURE :-</b>				
Transfer To Housing Repairs Account	3,286,070	3,329,280	3,085,600	4
Supervision & Management	4,859,080	4,882,100	4,533,390	5
Rents, Rates, Taxes & Other Charges	3,000	3,000	3,000	
Depreciation and Impairment	3,816,630	3,816,630	3,692,000	6
Debt Management Cost	7,000	7,000	15,000	
Provision For Bad or Doubtful Debt	131,250	131,250	131,250	7
Amounts set aside for the repayment of debt	6,900,000	6,900,000	5,263,430	8
Less: Corporate Savings / Income Generation T	-800,930	-800,930	0	9
<b>Total Expenditure</b>	<b>18,202,100</b>	<b>18,268,330</b>	<b>16,723,670</b>	
HRA Share of Corporate & Democratic Core Costs	209,630	209,630	209,630	
<b>NET COST OF HRA SERVICES</b>	<b>99,760</b>	<b>164,320</b>	<b>-1,205,350</b>	
<b>HRA SHARE OF OPERATING INCOME &amp; EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME &amp; EXPENDITURE ACCOUNT</b>				
Interest Payable & Similar Charges	1,326,660	1,326,660	1,219,470	
Interest & Investment Income	-76,420	-76,420	-14,120	
<b>NET OPERATING EXPENDITURE</b>	<b>1,350,000</b>	<b>1,414,560</b>	<b>0</b>	
Revenue Contributions to Capital Expenditure	0	0	0	8
Contributions to (+) / from (-) Reserves	-1,350,000	-1,350,000	0	
<b>Surplus(-)/Deficit for year</b>	<b>0</b>	<b>64,560</b>	<b>0</b>	

## Notes

- 1 Rent estimates based on rent reduction of 1% and estimated 30 RTB sales in year.
- 2 Garage rents have been increased in line with national guidance but this has been offset by an increase in the number of void/empty properties.
- 3 The net change in service charge income reflects the inflationary rises noted within the report and includes a void allowance of 1.00%.
- 4 This includes a decrease in cyclical gas servicing and repainting costs (planned maintenance) and costs of materials stockholding, fuel, and the use of external contractors (responsive repairs).
- 5 The main adjustments to supervision & management are:

	£
Net salary changes	-132,280
Replacement equipment transferred to capital funding	-42,300
Removal of carry forward budget	-44,250
Utility savings	-37,000
Procurement savings from new contracts	-6,000
Publicity and marketing	-5,000
Valuation fees	-5,000
Legal Costs	10,000
Other items	-57,400
Committed adjustments total	<u>-319,230</u>
Uncommitted adjustments (listed in appendix Ai)	0
Total change in Supervision & Management budget	<u><u>-319,230</u></u>

- 6 DCLG and CIPFA have produced guidelines regarding council dwelling depreciation to coincide with the introduction of HRA self-financing. Estimates for 2017/18 have been prepared on this basis.
- 7 The increase in bad debt provision reflects an estimated rise in arrears subject to the full roll out of the Universal Credit.
- 8 The HRA medium term financial plan assumes that all in-year surpluses will be utilised in the repayment of debt except where major capital expenditure relating to new build has been programmed.

**Proposed Capital Programme 2017/18 and onwards**

	<b>Revised 2016/17 Capital Programme</b>	<b>Anticipated 2016/17 slippage into 2017/18</b>	<b>Proposed 2017/18 Capital Programme</b>	<b>Proposed 2018/19 Capital Programme</b>	<b>Proposed 2019/20 Capital Programme</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>New Build</b>					
<b>Improvements &amp; Capitalised Repairs</b>					
Housing Management System	120,470	120,470	0	60,000	60,000
Housing Repairs Service - IT System	58,560	0	0	0	0
Bathrooms	0	0	315,000	500,000	260,000
Fire Risk Prevention Works	41,190	0	40,000	40,000	40,000
Heating Upgrades	350,000	0	750,000	850,000	750,000
Kitchen Improvements	467,390	0	700,000	350,000	0
Window / Doors Replacement	5,350,900	640,000	0	0	0
Patterdale Sheltered Scheme	262,500	0	0	0	0
Energy Efficiency Long Lawford External Cladding	400,000	0	0	0	0
↪ CCTV Upgrades	95,560	0	0	0	0
Finlock gutter Improvements	17,960	0	20,000	20,000	20,000
Rebuilding retaining walls	40,000	0	50,000	50,000	50,000
Replacement Footpaths	20,000	0	20,000	20,000	20,000
Roof Refurbishment - Rounds Gardens	283,930	283,930	0	0	0
Roof Refurbishment - Biart Place	204,860	204,860	0	0	0
Roof Refurbishment - Lesley Souter House	70,000	0	0	0	0
<b>Solar PV</b>	131,440	0	0	0	0
<b>Strategic Land Acquisition</b>	53,370	0	0	0	0
<b>Disabled Adaptations</b>	256,190	0	250,000	250,000	250,000
<b>Lifeline Renewal Programme</b>	30,000	0	30,000	30,000	30,000
<b>Purchase of Council Homes</b>	701,500	0	1,685,000	1,685,000	1,685,000
<b>TOTAL</b>	<u>8,955,820</u>	<u>1,249,260</u>	<u>3,860,000</u>	<u>3,855,000</u>	<u>3,165,000</u>
<b>Draft Financing: -</b>					
Revenue Contributions / RTB Receipts	1,170,300	120,470	1,755,000	1,815,000	1,815,000
Major Repairs Reserve	7,785,520	1,128,790	2,105,000	2,040,000	1,350,000
<b>TOTAL</b>	<u>8,955,820</u>	<u>1,249,260</u>	<u>3,860,000</u>	<u>3,855,000</u>	<u>3,165,000</u>

**RUGBY BOROUGH COUNCIL**  
**Risk Factors influencing the Calculation of a Prudent Level of Housing Revenue Account Revenue Balances**

<b>Key Budget Assumptions</b>				
<b>Key Budget Assumptions</b>		<b>Local Risk Factors</b>	<b>Comments/Assessment</b>	<b>Reserve Cover £000</b>
Demand-led pressures	RBC's capacity to manage in-year budget pressures	Expenditure items	Overspend probability - mixed significance and likelihood (allowing 3 years cover)	169
	Savings			152
	Welfare Reform / Further central government intervention	Rents and contributions to expenditure	Underachievement of income - mixed significance and likelihood (allowing 3 years cover) Partial mitigation via increased bad debt provision: Rents Service Charges Other contributions towards expenditure	730 60 4
	Borrowing Costs	Level of borrowing required or debt held by the Council	The HRA underlying borrowing requirement will be rescheduled as part of plans to mitigate decrease in rents. Refinancing costs (internal or external borrowing) may be higher than those currently forecast by the Council's treasury advisors.	16
			<b>Recommended Amount of Housing Revenue A</b>	<b>1,131</b>

**MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2017/18 - 2021/2;**

- rent reduction of 1% from 2017/18 until 2020/21 then CPI + 1% thereafter. HRA working balance of £1.1m

	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
<b>EXPENDITURE</b>				
Supervision & Management	4,533	4,646	4,762	4,882
Repairs & Maintenance	3,086	3,163	3,242	3,323
Rents, Rates, Taxes	3	3	3	3
Charges for Capital	3,692	3,784	3,879	3,976
Debt Management	15	15	16	16
Provision for Bad Debts	131	135	138	141
HRA Share of Corporate & Democratic Core Costs	210	215	220	226
Amounts set aside for the repayment of debt	5,264	4,880	4,482	4,733
Net Interest Payments	1,205	1,149	1,068	965
<b>Total</b>	<b>18,138</b>	<b>17,990</b>	<b>17,810</b>	<b>18,265</b>

<b>INCOME</b>				
Dwelling Rent	-16,307	-16,104	-15,867	-16,264
Garages	-174	-179	-184	-190
Service Charges	-1,442	-1,486	-1,530	-1,576
Contributions towards expenditure	-215	-222	-228	-235
<b>TOTAL</b>	<b>-18,138</b>	<b>-17,990</b>	<b>-17,810</b>	<b>-18,265</b>

<b>SURPLUS (-) / DEFICIT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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Impact on Average Rent (52 week basis):	£'s	£'s	£'s	£'s
Prior Year	84.06	83.22	82.38	81.56
Current Year	83.22	82.38	81.56	84.01
Increase £'s	-0.84	-0.83	-0.82	2.45
Increase %	-1.00	-1.00	-1.00	3.00

**Analysis of Housing Revenue Account Revenue Balances**

	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
<b>HRA Balances</b> at start of year	1,131	1,131	1,131	1,131
Contribution to/from (-) balances	0	0	0	0
<b>End of year balance</b>	<b>1,131</b>	<b>1,131</b>	<b>1,131</b>	<b>1,131</b>

**AGENDA MANAGEMENT SHEET**

<b>Name of Meeting</b>	Cabinet
<b>Date of Meeting</b>	28 November 2016
<b>Report Title</b>	Contracts with charities 2017/19
<b>Portfolio</b>	Communities & Homes
<b>Ward Relevance</b>	All
<b>Prior Consultation</b>	Discussions with charities with a current Service Level Agreement  Legal and procurement officers
<b>Contact Officer</b>	Michelle Dickson tel: 01788 533843  michelle.dickson@rugby.gov.uk
<b>Report Subject to Call-in</b>	No – timetable for process commences on 30 November 2016
<b>Report En-Bloc</b>	No
<b>Forward Plan</b>	Yes
<b>Corporate Priorities</b>	Support wider participation in decision-making and help communities to deliver services  Engage in partnerships to meet local needs, reduce costs and increase efficiencies  Provide leisure facilities and support independent and healthy living
<b>Statutory/Policy Background</b>	The Public Contracts Regulations 2015

## **Summary**

This report sets out the proposals for contracts with the community and voluntary sector for 2017/19

## **Risk Management Implications**

By having formal contracts with the sector, to deliver services, the council is in a better position to ensure that funding is used to deliver specific and measureable outcomes which reflect corporate priorities.

The risk of going through a tendering process is that cost proposals for the delivery of services may exceed the amount that is currently paid out through current service level agreements. Drawing up a detailed and accurate specification and Key Performance Indicators (KPI's) will enable the providers to understand exactly what is required and allows them to define their service cost more accurately. This also reduces their risk element added to any contract price submitted.

This could also be seen as an opportunity to reduce the amount paid for these services through a competitive tendering process. The providers will need to consider how they can show value for money and provide the services required for the best possible price. There is a possibility that one, or more, organisations that have traditionally benefitted from Service Level Agreement funding of their core services is no longer supported in this way as the services they deliver may not be a priority under the new contract regime or they may be unsuccessful in the tendering process. This could mean that some services may cease as a consequence and there may be some negative reputational consequences for the Council.

## **Financial Implications**

A full tendering process will need to start no later than December 2016. This process will be concluded in time for cost proposals to be considered as part of the formal budget setting by Council in February 2017.

## **Environmental Implications**

There are no environmental implications arising from this report.

## **Legal Implications**

Due to the amounts traditionally paid to Charities through Service Level Agreements it is necessary to review the process and move toward the award of contracts following a tendering process. This will ensure compliance with procurement regulations and corporate contract standing orders.

## ***Equality and Diversity***

An equality impact assessment has been carried out.

## ***Options***

Award contracts for the delivery of services from 1 April 2017:

- ensures compliance with procurement regulations
- opportunity to move toward a contractual relationship with providers

Do not award contracts for the delivery of services from 1 April 2017:

- potential for advice services to be unavailable within Rugby to the degree that they currently are
- lost opportunity to focus on improving the resilience of the voluntary and community sector.

## ***Recommendation***

The Council follow a tendering process to secure the following services from the voluntary and community sector for 2-years, starting April 2017, with an option to extend for a further 2 years:

1. the provision of support to increase the resilience of community and voluntary organisations in Rugby, with a particular emphasis on risk identification and support in managing the risks identified
2. the provision of advice and support to Rugby's residents to prevent their falling into crisis. The main catalysts for this are issues relating to – housing, legal, financial. domestic and consumer issues

In addition, service level agreements (which will be compliant with procurement requirements due to the relatively modest amounts involved) be:

3. established with Bareboards to provide support for the most poorest and most vulnerable customers in obtaining start-up furniture packages for their tenancy (both council and private-rented sector tenancies). Funding to be capped at £1,500 per annum for two-years, depending on on-going budget approval.
4. maintained with the Rugby Foodbank for £2,500 per annum for two-years, depending on on-going budget approval

***Reasons for  
Recommendation***

Following a tendering process will ensure:

- compliance with procurement regulations and corporate contract standing orders
- that the Council can stipulate what services it wants
- delivery through contract management

**Cabinet – 28 November 2016**

**Contracts with charities 2017/19**

**Report of the Communities & Homes Communities Portfolio Holder**

**Recommendation**

The Council follow a tendering process to secure the following services from the voluntary and community sector for 2-years, starting April 2017, with an option to extend for a further 2 years:

1. the provision of support to increase the resilience of community and voluntary organisations in Rugby, with a particular emphasis on risk identification and support in managing the risks identified
2. the provision of advice and support to Rugby's residents to prevent their falling into crisis. The main catalysts for this are issues relating to – housing, legal, financial. domestic and consumer issues

In addition, service level agreements (which will be compliant with procurement requirements due to the relatively modest amounts involved) be:

3. established with Bareboards to provide support for the most poorest and most vulnerable customers in obtaining start-up furniture packages for their tenancy (both council and private-rented sector tenancies). Funding to be capped at £1,500 per annum for two-years, depending on on-going budget approval.
4. maintained with the Rugby Foodbank for £2,500 per annum for two-years, depending on on-going budget approval

**1. BACKGROUND**

Traditionally, the Council has provided Service Level Agreement grant funding to a number of key charities within the borough. The organisations currently funded by the Council are listed in table 1.

**Table 1:**

	<b>Organisation</b>	<b>Amount funded 2016/17</b>
	<b>CHARITIES</b>	
1.	Age Concern – Rugby	£17,000
2.	Rugby Citizens Advice Bureau*	£55,000
3.	Warwickshire CAVA	£33,000
4.	Rugby Credit Union	£15,000
5.	Rugby Foodbank	£2,500
6.	Transferred to Grants to Voluntary and Community Organisations**	£11,500
		<b>£134,000</b>

\* An additional amount of £18,250 is paid from the Housing Revenue Account to support tenants living in council housing.

\*\*This £11,500 was Service Level Agreement funding previously allocated to Relate Rugby & North Warwickshire until it went into liquidation. Since then the funding has effectively topped up the amount available to grants to voluntary and community organisations.

Legal and Procurement officers have advised that due to the amounts of funding allocated (with the exception of the Foodbank and Bareboards) it is necessary to go down a tendering route.

## **2. REQUIREMENTS**

The advantage of going through a tendering process is that it requires a clear service specification and a move toward a contractual obligation for service providers to deliver.

To identify what the potential future contracts would look like, research was carried out to:

1. Clarify where customer-facing services within the Council refer people to for support and the reasons for this
2. Consider the specifications (and identify the Rugby specific gaps) of the new Warwickshire County Council contracts with charities for:
  - infrastructure support services for third sector organisations and volunteers

- advice services

The resulting gaps in Rugby were identified as:

- A. the provision of support to increase the resilience of community and voluntary organisations in Rugby, with a particular emphasis on risk identification and support in managing the risks identified
- B. the provision of advice and support to Rugby's residents to prevent their falling into crisis. The main catalysts for this are issues relating to – housing, legal, financial, domestic and consumer issues
- C. support for the most poorest and most vulnerable customers in obtaining start-up furniture packages for their tenancy (both council and private-rented sector tenancies)

### **3. HOW THIS DIFFERS FROM CURRENT ARRANGEMENTS**

The main advantage is that the contracts must be delivered against our specification, which will be monitored through contract management. The proposed contracts would run for a period of 2-years (starting 1 April 2017) with an option to extend for a further 2-years.

The proposed advice stream would potentially comprise of one supplier or, more if a proposal for a consortium approach was submitted. The current arrangements are that there are service level agreements in place with two separate providers – Age UK and the Citizens' Advice Bureau, both of whom provide advice.

There would be an increased emphasis on support to the community and voluntary sector in Rugby being around ensuring increasingly resilience and self-sufficiency.

Rugby Bareboards already offers a start-up package of furniture for new tenancies at £60 a time. However, many people in crisis find this amount too much to find. This can have implications in terms of moving people on from temporary accommodation and for people again falling into a crisis and repeat presenting as homeless. A modest budget being set aside to fund a service level agreement with Rugby Bareboards to facilitate the purchase of a maximum of 25 such packages per annum would require budget provision of £1,500 per annum.

The Rugby Foodbank remains reliant on modest funding via a service level agreement of £2,500 per annum.

### **4. POTENTIAL FUNDING REQUIREMENTS**

The risk of going through a tendering process is that cost proposals for the delivery of services may exceed the amount that is currently paid out through current service level agreements. Drawing up a detailed and accurate specification and Key performance Indicators (KPI's) will enable the providers to understand exactly what is required and allows them to define their service cost more accurately. This also reduces their risk element added to any contract price submitted.

It also allows the council to budget effectively for the 2 year contract period (plus the option to extend for a further 2 years).

## **5. TIMETABLE FOR TENDERING EXERCISE**

The proposed milestones for the tendering process are:

- 30 November 2016 – agreement of service specifications
- launch no later than 12 December 2016
- close 20 January 2017 (having been open for a minimum of 6 weeks)
- evaluation to be concluded by 10 February 2017
- notifications subject to budget setting
- budget setting end of February 2017
- March – preparation of contracts
- new contracts go live from 1 April 2017

## **6. REACTION OF CHARITIES CURRENTLY IN RECEIPT OF SERVICE LEVEL AGREEMENT FUNDING**

A meeting was held with the charities in receipt of funding in September 2016. They were broadly receptive to the Council going down this route and the rationale for it. This meeting also kickstarted a formal notice process, giving them six-months to plan for the potential of their not being successful in receiving future funding.

They did raise concerns about:

- practicalities of managing the tender process
- impact of not being awarded a contract for service delivery

## **7. CONCLUSION**

This is a commercial process, the delivery of early notice and a draft timetable outlining the procurement milestones will help charities to prepare. The Council will also have:

- made sure that our arrangements for funding are legally compliant
- ensured that limited resources are being diverted to where they are most needed and have the potential to make most impact

Historically, organisations that have been in receipt of service level agreement funding have been unable to apply for Rugby Borough Council grant funding to carry out the same activity. If an organisation is unsuccessful in the tender process, or chooses not to bid, then they will become eligible to apply for Rugby Borough Council grants, and the Warwickshire County Council health and wellbeing grant, if it is available, in the normal manner.

Name of Meeting: Cabinet  
 Date Of Meeting: 28 November 2016  
 Subject Matter: Contracts with charities 2017/19  
 Originating Department: Communities & Homes

**LIST OF BACKGROUND PAPERS**

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

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

\* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
--------------	------------------------------------

\* There are no background papers relating to this item.

(\*Delete if not applicable)



**AGENDA MANAGEMENT SHEET**

<b>Name of Meeting</b>	Cabinet
<b>Date of Meeting</b>	28 November 2016
<b>Report Title</b>	Service level agreement grant funding for community associations (2017/18 and 2018/19) and one-off community grants (2017/18)
<b>Portfolio</b>	Sustainable Inclusive Communities
<b>Ward Relevance</b>	All
<b>Prior Consultation</b>	Community Associations
<b>Contact Officer</b>	Michelle Dickson tel: 01788 533843 michelle.dickson@rugby.gov.uk
<b>Report Subject to Call-in</b>	Yes
<b>Report En-Bloc</b>	No
<b>Forward Plan</b>	Yes
<b>Corporate Priorities</b>	Support wider participation in decision-making and help communities to deliver services  Engage in partnerships to meet local needs, reduce costs and increase efficiencies  Provide leisure facilities and support independent and healthy living
<b>Statutory/Policy Background</b>	The Warwickshire Compact provides a framework to encourage fair and effective working with the voluntary sector.

**Summary**

This report sets out proposals for service level agreement grant funding for community associations and one-off community grants for 2017/18.

**Risk Management Implications**

Providing funding to third-party organisations poses a risk that council funds will not be spent appropriately.

These risks are substantially reduced by established monitoring mechanisms.

SLA stage payments for the community associations will be at 6 monthly intervals to help mitigate any potential losses to the council should any go into liquidation

**Financial Implications**

This report sets out an indication of budget requirements to be considered as part of the wider corporate budget setting process.

**Environmental Implications**

There are no environmental implications arising from this report.

**Legal Implications**

Written agreements are in place in relation to the grant funding provision.

Service level agreements are about supporting organisations in their activities, it is not the commissioning of services.

**Equality and Diversity**

An equality impact assessment has been carried out.

**Options****1. Approve recommendations**

- clear budgetary requirements in preparation for budget settings
- opportunity to revisit which community associations receive financial support in future years

2. Do not approve recommendations

- Community Associations have no surety of funding for 2017/19 (subject to budget setting)
- opportunity to revisit funding of the voluntary and community sector
- projects may not be deliverable in 2017/19 if there is a delay in the availability of funding

***Recommendation***

IT BE RECOMMENDED TO COUNCIL THAT -

1. the service level agreement grant funding allocations for the community associations for 2017/19 be agreed, as identified in table 1, subject to budget availability;
2. the proposals related to the Council's one-off grant funds, as identified in table 2, be endorsed for implementation in 2017/18; and
3. the discontinued grant to RELATE (Rugby and NE Warwickshire) be reallocated to the Grants to Voluntary and Community Organisations from 2017/18 onwards

***Reasons for Recommendation***

To ensure the effective use of the Council's community grant funds in 2017/18.

To ensure the effective use of the Council's service level agreements with voluntary sector organisations in 2017/19.

**Cabinet – 28 November 2016**

**Service level agreement grant funding for community associations  
and one-off community grants (2017/18)**

**Report of the Communities & Homes Portfolio Holder**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT -

1. the service level agreement grant funding allocations for the community associations for 2017/19 be agreed, as identified in table 1, subject to budget availability;
2. the proposals related to the Council's one-off grant funds, as identified in table 2, be endorsed for implementation in 2017/18; and
3. the discontinued grant to RELATE (Rugby and NE Warwickshire) be reallocated to the Grants to Voluntary and Community Organisations from 2017/18 onwards.

**1. BACKGROUND**

The Council provides significant funding to the voluntary and community sector through its community grants programme. This is in the form of both multi-year grant funding arrangements with community associations (linked to service level agreements) as well as a number of grant funds that organisations can bid into for one-off grant funding.

This report provides recommendations on:

- The allocation of grant funding to the community associations that have previously received multi-year grant funding linked to Service Level Agreements
- Proposals for the Council's one-off grant funds for 2017/18:
  1. Grants to Voluntary and Community Organisations.
  2. Rural Development Fund
  3. Sports Grant
  4. Youth and Play Grant
  5. Arts Grant

## 2. SERVICE LEVEL AGREEMENT GRANT FUNDING

For a number of years, the Council has provided SLA grant funding to a number of community associations in Rugby. In 2010/11 it was agreed that SLAs should run for 2 years to provide greater certainty for organisations to enable them to plan and to budget effectively. At the same time it was agreed that the payments for the community organisations would be profiled against performance measures. Performance is monitored through quarterly 6 monthly meetings with each organisation. Procurement Officers are satisfied that the amount of money involved remains below the requirement to trigger a competitive tendering process.

It is proposed that funding for the next period again be for 2 years. During this time additional work will be done to identify:

- the tier-two priority areas sitting beneath the current priority areas
- how the SLA funding should be profiled to support the community sector within the two-tier priority areas

The summary of the allocations for 2016/17, and the proposed allocation for 2017/19 are shown in table 1 below:

**Table 1:**

	<b>COMMUNITY ASSOCIATIONS</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
1.	Brownsover Community Association	£7,500	£7,500	£7,500
2.	Overslade Residents' Association	£7,500	£7,500	£7,500
3.	Benn Partnership Centre	£7,500	£7,500	£7,500
4.	New Bilton Community Association	£7,500	£7,500	£7,500
5.	Newbold Community Association	£7,500	£7,500	£7,500
	<b>Total</b>	<b>£37,500</b>	<b>£37,500</b>	<b>£37,500</b>

As part of the SLA monitoring process, each of the above has been in discussion with the Council to identify how their planned and existing activities can support the Council in:

- meeting its corporate priorities
- achieving the objectives of the Regeneration and Housing Strategies
- tackling financial exclusion, including fuel poverty

The Community Associations will focus on the following for 2017/19:

- increasing their independence and sustainability
- supporting the priorities of the Rugby Borough Regeneration Strategy
- Assisting the council in carrying out community audits of the areas they represent and helping to form potential solutions to the problems identified
- carrying out an organisational annual health check to ensure on-going compliance with preVISIBLE
- identifying projects that may be carried out in partnership with other community associations to increase both impact and resilience
- helping to generate health improvements for their area
- making better use of social media to keep in touch with their communities

### 3. AVAILABLE BUDGETS

The budget position, and therefore the figures quoted in this report, will not be confirmed until full Council in February 2017.

### 4. PROPOSED SLA GRANT FUNDING ALLOCATIONS

Having considered the information provided by the relevant organisations, the following allocations (see table 1) of funding for 2017/19 are proposed by the Communities & Homes Portfolio Holder.

### 5. ONE-OFF GRANTS

#### 5.1 Funds available:

The proposed funds for each of the one-off grants for 2017/18, based on current and previous year figures, are identified in table 2 below:

**Table 2:**

<b>Grant Fund</b>	<b>Funds available 2016/17</b>	<b>Proposal 2017/18</b>	<b>Detail</b>
Grants to Voluntary and Community Organisations	*£20,410	*£20,410	One-off revenue grants up to £1,500
Rural Development Fund	£25,000	£25,000	One-off revenue grants up to £10,000 – rural area only
Sports Grant	£6,000	£6,000	One-off revenue grants up to £1,000
Youth and Play Grant	£6,000	£6,000	One-off revenue grants up to £1,000
Arts Grant	£6,000	£6,000	One-off revenue grants up to £1,000
<b>Total</b>	<b>£63,410</b>	<b>£63,410</b>	
Public Health Grant	**£10,000	To be confirmed.	One-off revenue grants up to £1,000
<b>Total</b>	<b>£73,410</b>		

\*This includes the £11,500 service level agreement funding previously allocated to Relate Rugby & North Warwickshire

\*\*In addition to the Council's allocation, in 2016/17 Public Health Warwickshire contributed additional revenue funding of £10,000 (each grant up to £1,000). This was ring-fenced to applications that could demonstrate an increase in: physical activity levels and positive mental wellbeing. This additional funding was administered by the Housing & Community Development Team, along with the wider council funded portfolio of grants. Currently, there is no confirmation of potential Public Health Grant Funding for 2017/18, or the criteria for bids.

### **Proposals for 2017/18**

It is proposed that the grant criteria remain unchanged for the following:

- Grants to Voluntary and Community Organisations
- Rural Development Fund
- Sports Grant
- Youth and Play Grant
- Arts Grant

### **6. SIGNIFICANT PROPOSED CHANGES TO SLA and ONE-OFF GRANT FUNDING.**

The significant proposed changes from 2016/17 are:

- The discontinued SLA grant to RELATE (Rugby and NE Warwickshire) be reallocated to the Grants to Voluntary and Community Organisations from 2017/18 onwards

Name of Meeting: Cabinet

Date Of Meeting: 28 November 2016

Subject Matter: Service level agreement grant funding for community associations (2017/18 and 2018/19) and one-off community grants (2017/18)

Originating Department: Communities & Homes

### LIST OF BACKGROUND PAPERS

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

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

\* Exempt information is contained in the following documents:

Document No.	Relevant Paragraph of Schedule 12A
--------------	------------------------------------

\* There are no background papers relating to this item.

(\*Delete if not applicable)

**AGENDA MANAGEMENT SHEET**

**Report Title:** Control centre, lifeline service - Purchase of replacement hardware and software systems.

**Name of Committee:** Cabinet

**Date:** 28th November 2016

**Report Director:** Head of Communities and Homes

**Portfolio:** Communities and Homes

**Ward Relevance:** All

**Prior Consultation:** Senior Management Team

**Contact Officer:** Liz Dunlop

**Public or Private:** Public

**Report subject to Call-In:** No – The control centre lifeline service is delivered 24 hours a day, every day of the year. The hardware and software systems are old and it has been identified that they are at imminent risk of failure due to their age. It is urgent that the systems are replaced.

**Report En-Bloc:** Yes

**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.  
**PEOPLE** - Provide leisure facilities and

support independent and healthy living.

**Statutory / Policy Background:**

None

**Summary:**

The control centre lifeline service hardware and software systems are old and it has been identified that they are at imminent risk of failure due to their age. This is a life critical service and if unable to respond to an emergency call could result in death. The systems need to be replaced urgently.

**Financial Implications:**

£41,000 for the replacement systems and £30,000 for the replacement of 300 old lifelines. £10,500 for the annual software maintenance costs.

**Risk Management Implications:**

Risk in not replacing the hardware and software systems could result in their failing and an emergency call not being responded to. This could put someone's life at risk.

Replacing the hardware and software systems would reduce the risk of their failing and an emergency call not being responded to.

**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:**

Replacing the hardware and software systems would ensure the service can be delivered to customers without putting their lives at risk.

Not replacing the hardware and software systems: the service from the council's control centre would have to be discontinued as system failure could result in not being able to respond to

emergency call outs placing lives at risk.

**Recommendation:**

IT BE RECOMMENDED TO COUNCIL THAT a HRA Capital budget of £71,000 be approved for replacement hardware and software systems for the control centre's lifeline service, including the replacement of 300 lifelines to be met from existing HRA capital and revenue funding as detailed in the report.

**Reasons for Recommendation:**

The control centre's lifeline service hardware and software system are old and it has been identified that they are in imminent risk of failure. These need to be replaced urgently to ensure the service can be provided for customers without putting their lives at risk by system failure and not being able to respond to emergency calls.

**Cabinet - 28th November 2016**

**Control centre, lifeline service Purchase of replacement hardware and software systems**

**Report of the Head of Communities and Homes**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT a HRA Capital budget of £71,000 be approved for replacement hardware and software systems for the control centre's lifeline service, including the replacement of 300 lifelines to be met from existing HRA capital and revenue funding as detailed in the report.

**1. Introduction**

This business case is to support the purchase of a replacement for the existing Control Centre Solution as the current system is no longer fit for purpose having been installed over 11 years ago.

Currently the service provides 24 hours, 365 days a year, support for 1481 lifeline connections in Rugby Borough Council (RBC) sheltered schemes and 516 connections in private sector accommodation. With more than one person using a connection, 1760 and 582 respectively vulnerable adults are supported to live independently in their own homes. The service also provides Out of Hours support for Repairs, Community Safety Wardens and other RBC functions.

A recent appraisal of the hardware and software systems that make up the solution has identified that they are at imminent risk of failure due to their age. A subsequent outage of the server itself also highlighted limitations in the current setup of the Disaster Recovery (DR) arrangements. Continuing to operate with a system of this age and vulnerability has the potential to put the lives of our customers at risk

As it becomes more important for RBC to become self-sustaining opportunities to achieve this goal must be identified and developed. The Lifeline service operates in a growth sector of the economy and if properly developed it can make a significant contribution to financial independence.

**2. Business Objectives**

- Address the current issues by upgrading the system to a modern stable platform capable of keeping pace with developing technology.
- Expand the service by signing up more private customers and non-sheltered housing tenants.
- Increase the number of services available.

- Rebrand and promote the service to attract new customers.
- Attain Telecare Services Association (TSA) accreditation. This will allow us to bid for other contracts as well as keep us up to date with industry developments.
- Generate revenue to contribute towards the RBC goal of financial independence.
- Increase operational efficiencies by digitisation of processes, facilitated by integration with the corporate network.

### **3. How will we deliver the objectives?**

To achieve the business objectives the plan is to develop the service as follows:

- Update the lifeline technology. Identify and install a modern system that will keep up to date with industry developments and allow us to make cost effective use of these developments to expand the services that we currently offer.
- Make cost effective use of resources. Take advantage of the modern system to identify and predict busy periods and demand type. Use this information to ensure that higher staffing levels are available at busier times while ensuring sufficient staff are available during the quieter hours. Understanding the demand type helps to ensure that staff have the appropriate skills to deal with customer needs.
- Integrate the new system with the RBC network to improve the efficiency of data exchange, removing the need for duplication of information and effort. Out of Hours services can be handled more efficiently, removing the need for unnecessary manual tasks. The Control Centre already provides Out of Hours support for council services ensuring 24/7 support for key services. Full integration to the RBC network will allow the team to provide additional administrative support to help relieve the pressure on other council services.
- Rebrand and promote the service. We have an excellent reputation with our existing customer base and skills to develop the service further. Rebranding and marketing the service is essential to growth.
- Provision of lifeline services is now very much a growth market with the number of potential customers and competitors growing daily. Data from the Subnational Population Projection shows that in 2012 residents of the borough aged 65 and over made up 18.1% of the population (18,200 residents) this is 1.2% higher than the national average at that time. By 2037 this figure is predicted to rise to 26.5% (31,800 residents) while the national figure is projected to rise to 24%. This demonstrates that the percentage of the borough's population aged 65 and over is not only higher than the national average but it is also rising faster. The data demonstrates good growth potential for the service and increased revenue.

- To meet the demand for the service and reduce pressure on the NHS and other emergency services the technology companies are becoming more innovative in the products that they offer. If RBC is to compete in this environment then it is necessary to have the right tools and the right team to deliver the service. TSA accreditation will provide an assurance of quality for our customers while allowing us to develop relationships with manufacturers and other care providers, opening the door for further expansion.

#### **4. Costs, Funding and Future potential savings**

The recent increase in the weekly cost of the service has ensured that the revenue income matches current revenue costs.

A market evaluation has been undertaken looking at price and quality to ascertain the most economically advantageous product/software solution in order to ascertain the likely cost of the project.

Three systems are being considered. Taking a value for money approach a budget of £41,000 would be required for the replacement of the hardware and software systems and £30,000 for the replacement of old lifelines. £10,500 annual revenue expenditure is required for maintenance of the system. As the Housing Revenue Account (HRA) budget already provides £13,110 for maintenance this shows a saving of £2,610.

There is existing HRA and capital budget available to fund the replacement systems and old lifelines. A detailed breakdown of the financial costings is shown at Appendix 1.

The market evaluation was sufficient to identify that procurement via Crown Commercial Services framework is a viable option, which reduces the timescales and overall costs of going out to market.

An anticipated uplift of 120 new customers per year over five years would generate £86,490 return in investment at today's prices.

#### **5. Alternatives to Funding the Changes**

The alternative to funding these changes would require outsourcing the service to someone else. This step would require us to surrender control of how the service is managed and the callout service may well be lost as many providers do not offer this service.

The Out of Hours service would also have to be outsourced, incurring additional costs.

Outsourcing these services would mean losing the opportunity to develop and grow the service and therefore eliminate a potentially significant revenue stream. This could also have a negative impact on RBC's reputation.

Warwickshire County Council recently tendered the telecare service and whilst the initial cost was less than that charged by RBC consideration was being given to

charging people for the number of emergency calls they made and for providing a physical response. Ultimately the cost to the customer could be more than that charged by RBC. There are also risks attached to this as there are different providers involved in the one call - the contractor receiving the call, a contractor then providing a response and a third contractor in delivering the response.

There is a significant risk element in using multiple suppliers to deliver the services currently provided by the Control Centre. A holistic or one-stop service is not currently available locally.

The out of hours service would cost more for alternative provision. Before the control centre delivered the out of hours service the repairs service and ASB service were paying twice as much as they do now.

## **6. Benefits Analysis**

Reliability	–Modern hardware with more easily sourced replacement parts will result in improved reliability and greater confidence in the system.
Integration	–Improved support mechanism for DR and maintenance. Improved flow of information between the lifeline service and other RBC functions.
Reports	–Modern systems have powerful reporting and searching tools making reports customisable to our requirements. This provides robust customer activity reports providing key information to stakeholders whilst supporting any need to demonstrate due diligence, also allowing for improved management of services and staff.
Stability	–Compatibility with existing installations ensures continuing support for existing customers.
Growth	–Access to a wider array of services, increasing the services that we currently have on offer.
Flexibility	–The flexibility of a modern system will support flexible working practices. This can translate into labour cost savings.
Revenue	–Increasing the number of connections will increase the revenue generated by the Control Centre.

## **7. Development of the Service**

Currently the service is limited to answering calls from customers when help is needed. Our only regular contact is the annual update. It is not possible to schedule events or customise the service to meet customers' individual requirements.

An updated system will improve the quality and efficiency of the service by providing SMS or Email updates to Wardens and Next of Kin to let them know of any incidents. In addition it allows us to increase the number of services on offer by using a wider

array of equipment types, including GPS tracking, mobile phone and IP Phone technology.

A system with greater flexibility and the ability to track outstanding events and programme activities with customers would greatly improve the quality of the service on offer and allow the introduction of value added services such as:

- **Safe and well checks** - If nothing has been heard from a customer for some time then the system could prompt staff to check in and ensure that all is well.
- **Warden Visits** - Sheltered housing tenants have the luxury of regular visits from a warden to check that all is well. This could be offered to private customers as a chargeable extra allowing us to ensure that their welfare is being addressed appropriately.
- **Returning home** - Customers often go on holiday or have stays in hospital. This service would prompt staff to check their safe return home at the specified time.
- **Annual Updates** - Currently the system relies on reports being produced. While the reports are important there remains a risk that customers can be missed if appointments cannot be made or they get cancelled. Being able to keep track of these things more directly will provide a layer of quality assurance by ensuring that records are regularly checked for accuracy.
- **Business Partnerships** - We are currently speaking with a charity that provides support and independence for adults with learning difficulties. We are exploring the possibility of putting lifelines in with customers who do not need 24/7 care but do need access to help in an emergency. We have installed a lifeline unit in one flat supporting 3 residents. If this is successful then further business is likely. It is likely that there are other care organisations in the RBC area who will benefit from a similar arrangement.
- **Telecare Services Association (TSA)** - This is the only accreditation body available for this industry and RBC should seek accreditation. Applying the TSA icon to marketing literature will demonstrate a commitment to quality and inspire confidence in the service in the same way that the BSI Kite mark does for the manufacturing sector.

TSA accreditation will also allow RBC to bid for external contracts which will open up access to new markets.

- **Mobile Technology** - Mobile technology also allows customer's location to be tracked and calls remain a button press away. Using GPS tracking it is possible to locate an individual's precise location making it easier to guide help to a specific location. This is particularly

helpful for customers with early onset dementia when they may be confused about their surroundings.

Ensuring that the technology is working is key to the provision of a reliable service. Currently the only testing done is limited. For residents of RBC Sheltered accommodation where a warden service is available then there are guaranteed regular visits from the wardens who ensure that the equipment is regularly tested.

For other customers there is no regular prompt and testing relies on the customer remembering to test the alarm. The majority of customers never test the system, most testing is the result of the button being accidentally pressed. Introducing an automated test procedure will provide assurance that the equipment is working. This cannot test the button itself, however the button will initiate a call when the battery starts to run low.

## **8. Marketing the lifeline service**

Work is progressing in the development of a marketing plan with the aim of:

- Raising the profile of the lifeline service and the benefits it provides
- Building a database of potential customers
- Increasing the number of customers year on year

A mosaic profile of existing customers indicates that there is a large potential customer base across the borough for this type of service. Further information is shown at Appendix 2.

## **9. Timescale**

The age and poor reliability of the system make this upgrade urgent, steps need to be taken as soon as possible. Recent failures of the system continue to highlight its vulnerability.

Name of Meeting:  
Cabinet

Date of Meeting:  
28th November 2016

Subject Matter:  
Control centre, lifeline service - Purchase of replacement hardware and software systems.

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)

**Financial Appendix for Proposed Lifeline System Upgrade**

The below financial index shows the cost of the proposed Lifeline system upgrade, budget available to fund the upgrade, ongoing annual software maintenance implications and associated future year costs.

**Upgrade Costs & Offsetting Funding**

Cost of the Upgrade	<b>£</b>
Proposed Cost of the Upgrade	41,000
Replacement of 300 Lifelines	30,000
Total Proposed 2016/17 Upgrade Costs	<u>71,000</u>

Existing HRA & Capital Budget available to Fund Upgrade	<b>£</b>
Contribution from Current Year HRA Budget Savings	- 42,300
Current Year Remaining Capital Budget	- 30,000
Total Budget available to fund Upgrade	<u>- 72,300</u>

<b><u>Annual Software Maintenance Costs for the Lifeline System</u></b>	<b>£</b>
Current Maintenance Provided by Chubb	13,110
Proposed Ongoing Annual Maintenance Cost	10,500
Annual Saving	<u>2,610</u>

<b><u>Future Year Costs resulting from Upgrade</u></b>	<b>£</b>
2017/18 Planned Replacement of 300 Lifelines	30,000
2017/18 Lifeline Capital Replacement Budget	- 30,000
	<u>-</u>

<b><u>Lifeline Charges Income 2014/15 - 2016/17</u></b>	<b>2014/15</b>		<b>2015/16</b>		<b>2016/17</b>
	<b>Actual</b>		<b>Actual</b>		<b>Estimate</b>
	<b>£</b>		<b>£</b>		<b>£</b>
Non HRA Tenant Income	- 99,010	-	101,400	-	127,180
General Fund Contribution to HRA	73,720		64,070		94,620
Net General Fund Total	<u>- 25,290</u>	-	<u>37,330</u>	-	<u>32,560</u>
HRA Tenant Income	<u>- 216,390</u>	-	<u>229,250</u>	-	<u>263,600</u>

Annual fee for service in 2016/17 is £220.80 ( £4.60 per week / 48 week basis )

**DRAFT v2.0**  
**Summary Communications and Marketing Plan – Lifeline**  
**Author: Matthew Deaves, Communications**  
**October 2016**

### **Background**

There are 516 private lifeline customers in the borough of Rugby.

Lifeline provides a computerised link between a customer's home and the council's 24-hour control centre. Customers can raise the alarm by either activating the Lifeline unit or pressing the light-weight alarm trigger, which can be worn around the neck or wrist, or attached to clothing.

The control centre operator has access to customer names and addresses and can act on each alarm as necessary. The operator can arrange a home visit to check on a customer who is unresponsive after the alarm is triggered.

Council tenants not living in sheltered accommodation or private sector residents can have the Lifeline Home Alarm installed at a cost of £5.52 per week, including VAT. Customers with a qualifying disability are exempt from VAT and pay £4.60 per week.

Payment can be made by Direct Debit, with invoices sent out annually.

### **Aims**

The aims of this plan are to:

- build a database of potential customers;
- increase the number of customers by an average of ten per month across each of the five years of the plan period.

### **Audiences**

A mosaic profile of existing customers indicates that there is a large potential customer base in the “bungalow haven”, “mid-career convention” and “pocket pensions” mosaic types. Non customers in these types, and their families, are the key audiences for this plan.

### **Tactics**

The tactics will focus on communications with a ‘call to action’ – requiring a response or sign-up. Communications channels will include targeted advertising,

leaflets, posters etc and Direct Marketing, with a particular emphasis on data capture through events and roadshows. A “Later Life” conference and exhibition would have the potential to attract a significant audience of relevance to Lifeline and other council services.

### **Evaluation**

The plan will be evaluated according to:

- The number of enquiries about the Lifeline service
- The number of customers
- The response rate to direct marketing communications
- The response rate to targeted advertising

***AGENDA MANAGEMENT SHEET***

<b>Report Title:</b>	Treasury Management Report 2016/17 - Progress Report
<b>Name of Committee:</b>	Cabinet
<b>Date:</b>	28th November 2016
<b>Report Director:</b>	Head of Corporate Resources and Chief Financial Officer
<b>Portfolio:</b>	Corporate Resources
<b>Ward Relevance:</b>	All
<b>Prior Consultation:</b>	Treasury Management Strategy 2016/17 - 2018/19 Council 23 February 2016
<b>Contact Officer:</b>	Mannie Ketley, Head of Corporate Resources and Chief Financial Officer 01788 533416
<b>Public or Private:</b>	Public
<b>Report subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	All
<b>Statutory / Policy Background:</b>	The Council's Treasury Management activities are strictly regulated by the Local Government Act 2003 and the CIPFA Code of Practice on Treasury Management.
<b>Summary:</b>	The report sets out the Treasury Management activities for the first half of 2016/17.

<b>Financial Implications:</b>	The report ensures that the Council is aware of the current Treasury Management position.
<b>Risk Management Implications:</b>	There are no risk management implications arising from this report
<b>Environmental Implications:</b>	There are no environmental implications arising from this report.
<b>Legal Implications:</b>	There are no legal implications arising from this report.
<b>Equality and Diversity:</b>	No new or existing policy or procedure has been recommended.
<b>Options:</b>	
	IT BE RECOMMENDED TO COUNCIL THAT -
<b>Recommendation:</b>	(1) the report be noted; and  (2) the monitoring and the review of the Treasury Management indicators be agreed.
<b>Reasons for Recommendation:</b>	To comply with the Code of Practice

**Cabinet - 28th November 2016**

**Treasury Management Report 2016/17 - Progress Report**

**Report of the Head of Corporate Resources and Chief Financial Officer**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT -

(1) the report be noted; and

(2) the monitoring and the review of the Treasury Management indicators be agreed.

**1.1 INTRODUCTION**

On 23rd February 2016, in accordance with the *CIPFA Code of Practice for Treasury Management in the Public Sector*, Council approved the Treasury Management Strategy for 2016/17 – 2018/19. The Code requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.

This is a report on the Treasury Management activities for the first half of 2016/17 (the mid-year report).

Treasury Management is defined as:

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

*(CIPFA Code of Practice for Treasury Management in the Public Sector)*

In addition to its own resources (General Fund and Housing Revenue Account (HRA) balances, capital receipts, etc.) the Council also collects council tax on behalf of Warwickshire County Council, the Office of the Police and Crime Commissioner for Warwickshire, and Parish Councils. This means that at given points of time during the financial year, the Council has significant cash holdings which require management prior to scheduled payment dates to the preceptors. A summary of transactions, and the levels of investments and borrowings held, is contained within this report.

The Head of Corporate Resources and Chief Financial Officer is pleased to report that all treasury management activity undertaken during the period complied with the approved strategy, the *CIPFA Code of Practice*, and the relevant legislative provisions.

## 1.2 ECONOMIC REVIEW APRIL – SEPTEMBER 2014

The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.

The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, to the EU single market. The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years.

## 1.3 OUTLOOK FOR INTEREST RATES

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

%	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Bank Rate	0.10	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.50
5yr PWLB Rate	1.00	1.00	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.30
10yr PWLB Rate	1.50	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80
25yr PWLB Rate	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50	2.50	2.50	2.60
50yr PWLB Rate	2.10	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.30	2.30	2.40

## 1.4 INTERIM INVESTMENT REPORT AND SUMMARY OF TRANSACTIONS

Interest earned on investments is an important source of income to the Council, and, like fees and charges, provides funding which would otherwise have to be met from increased council tax.

The average investment balance held between April and September 2016 was £52.217m and the average rate of return was 1.07%, 0.65% above the local authority benchmark of 0.42%. This generated investment income of £279,400. The investment income received exceeded the budgeted to date figure by approximately £52,870. Investment income is apportioned between General Fund, HRA, and other reserves (S106, Major Repairs Reserve, etc.) based on average balances and cash-flows during the course of the financial year.

The average debt balance held between April and September 2016 (General Fund & Housing Revenue Account) was £98.914m and the average rate paid was 2.29%, generating interest payable of £1,150,000. Interest payable was lower than the budgeted to date figure by approximately £18,700.

The latest year end position for 2016/17 for the General Fund net cost of borrowing (interest paid less interest received) is to be £22,500 under budget<sup>1</sup>. This is based on the forecast for interest rates to fall during the next six months and utilising the investment products prescribed in the 2016/17 – 2018/19 investment strategy, as reported to Council on 23 February 2016.

The following table summarises the treasury management transactions undertaken during the first half of this financial year:

	Principal Amount £m	Interest Rate %
Investments - as at 31 <sup>st</sup> March 2016	40,775	1.17
- matured in period	48.426	
- arranged in period	<u>67.665</u>	
- as at 30 <sup>th</sup> Sept 2016	<b>60.014</b>	0.94
Debt - as at 31 <sup>st</sup> March 2016	96.221	2.29
- matured/repaid in period	10.000	
- arranged in period	<u>14.000</u>	
- as at 30 <sup>th</sup> Sept 2016	<b>100.221</b>	2.30
<b>Net Investments at 31<sup>st</sup> March 2016</b>	<b>-55.446</b>	
<b>Net Investments at 30<sup>th</sup> September 2016</b>	<b>-40.207</b>	

No debt restructuring took place during the period 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016.

<sup>1</sup> Does not include interest received from non-investment sources – i.e. car loans

## **1.5 DEBT MANAGEMENT STRATEGY**

The borrowing strategy approved (in February) did not identify a specific need for the Council to borrow this financial year to support the capital programme, but highlighted the diminishing level of capital receipts available to finance the General Fund 'standard' capital programme from 2016/17 onwards. The Council will look to match financing with asset life where appropriate and has the option to utilise the Public Works Loan Board (PWLB), other authorities, or 'internal borrowing', that is cash supporting the Council's reserves, balances and cash flow as a temporary measure. The Council continues to monitor the progress of the UK Municipal Bonds Agency (UKMBA), created by the Local Government Association with local authority shareholders. UKMBA's business case suggests that local authorities may be able to access funding from it at sub-PWLB rates during 2016/17.

The outlook for interest rates (see section 1.3) shows a slight rise in PWLB rates over the medium term, although rates remain at historic lows compared to long term trends. The Council has some flexibility to borrow funds this year for use in future years, subject to capital financing requirements, and consideration will be given to undertaking new loans in advance of need where a pre-determined interest cost is important to the whole-life cost of a project. The Housing Revenue Account (HRA) Capital and Revenue estimates for 2017/18 and HRA medium term financial plan contained elsewhere on this agenda indicate that a proportion of HRA self-financing debt will require rescheduling over the period 2017/18 – 2028/29. Officers will review the HRA borrowing pool in light of this requirement and look to match any refinancing with the cash flow expectations contained within the revised HRA 30-year business plan.

In addition to borrowing from external sources the Council has the option of 'intra-fund' borrowing – that is, loans between the General Fund and Housing Revenue Account (HRA). In consultation with its treasury management advisors the Council will continue to look at this facility over the term of the General Fund Medium Term Financial Plan and the HRA Business Plan To ensure opportunities are maximised.

## **1.6 TREASURY MANAGEMENT INDICATORS**

The Council measures its exposures to treasury management risks using the following indicators. Council is asked to note the following indicators as at 30th September 2016.

### Security: average credit rating

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 0.22% chance of default within 1 year and a 1.21% chance of default within 3 years.

Using these criteria, the Council's overall portfolio at 30<sup>th</sup> September 2016 had a 0.017% risk of default.

Credit quality	£000's of portfolio at 30 <sup>th</sup> September	Historic Risk of Default (within 1 year)	£000's Estimated loss (weighted by length of investment)
AAA	33,643	0.00%	0
AA-	1,000	0.06%	1
A-	21,371	0.08%	17
BBB+	0	0.22%	0
<b>Total/average</b>	<b>56,014<sup>1</sup></b>	<b>0.017%</b>	<b>18</b>

<sup>1</sup> This total excludes investments in property funds which are not categorised by the above methodology.

	Target	Actual	Met?
Historic risk of default	0.25% (max)	0.017%	✓

Liquidity: cash available within 7 days (without penalty)

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 based on average cash flow requirements. The actual level of liquid resources is much higher than this and reflects the current low interest rate environment.

	Target	Actual	Met?
Cash available at 7 days' notice (without penalty)	£2m	£16.385m	✓

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk – fluctuation in interest rates available for borrowing and investment. The exposures to fixed and variable rate interest rates, expressed as a proportion of net principal borrowed (meaning, investments and borrowing combined) were:

	Limit <sup>1</sup> £000's	Actual £000's	Met?
Upper limit on fixed rate exposures based on net debt (investments and borrowing combined)	111,000	100,221	✓
Upper limit on variable rate exposures based on net debt (investments and borrowing combined)	0	-40,207	✓

<sup>1</sup> The upper limit on fixed rate exposures has been set at the equivalent of the Council's maximum borrowing requirement less its minimum investment level (or 100%) The upper limit on variable rate exposures has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit ensures the use of variable rate debt does not exceed the level of variable rate investments.

Fixed rate investments and borrowings are those where the rate of interest is fixed for 12 months or more. Instruments that mature during the financial year (regardless of their original length) are classed as variable rate. (This is the approach suggested in the Treasury Management Code guidance notes).

#### Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk – that all borrowing falls due for repayment at the same time. The repayment structure of fixed rate borrowing was:

	Upper Limit	Lower Limit	Actual	Met?
Under 12 months	10%	0%	7%	✓
12 months and within 24 months	30%	0%	21%	✓
24 months and within five years	60%	0%	48%	✓
Five years and within 10 years	60%	0%	9%	✓
10 years to 20 years	75%	0%	1%	✓
20 years to 30 years	75%	0%	14%	✓
30 years +	75%	0%	0%	✓

The maturity date of borrowing is the earliest date on which the lender can demand repayment.

#### Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. It is used in conjunction with the liquidity indicator to ensure sufficient cash resources are available without penalty during the short to medium term. The total principal sums invested to final maturities beyond the year end were:

	2016/17	2017/18	2018/19
Limit on principal invested beyond year end	£10m	£10m	£10m
Actual principal invested beyond year end	£7m	£6m	£0
Within limit?	✓	✓	✓



Name of Meeting:  
Cabinet

Date of Meeting:  
28th November 2016

Subject Matter:  
Treasury Management Report 2016/17 - Progress Report

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)

***AGENDA MANAGEMENT SHEET***

<b>Report Title:</b>	Calendar of Meetings 2017/18
<b>Name of Committee:</b>	Cabinet
<b>Date:</b>	28th November 2016
<b>Report Director:</b>	Executive Director
<b>Portfolio:</b>	None
<b>Ward Relevance:</b>	All Wards
<b>Prior Consultation:</b>	Executive Director, Service Heads and other council officers involved in meetings
<b>Contact Officer:</b>	Veronika Beckova, Democratic Services Officer, Tel: 01788 533 591
<b>Public or Private:</b>	Public
<b>Report subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	Yes
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	This report does not specifically relate to any Council priorities, but should be considered by the Panel/Cabinet for the following reasons: Cabinet is required, under the Council's Constitution, to fix the dates and times of Council, Cabinet and committee meetings.
<b>Statutory/Policy Background:</b>	None
<b>Summary:</b>	Cabinet is required, under the Council's Constitution, to fix the dates and times of Council, Cabinet and committee meetings.
<b>Financial Implications:</b>	There are no financial implications arising from this report.

<b>Risk Management Implications:</b>	There are no risk management implications arising from this report.
<b>Environmental Implications:</b>	There are no environmental implications arising from this report.
<b>Legal Implications:</b>	There are no legal implications arising from this report.
<b>Equality and Diversity:</b>	No new or existing policy or procedure has been recommended.
<b>Options:</b>	To recommend to Council that the Calendar of Meetings for 2017/18 be approved. Risks: None Benefits: Compliance with the Council's Constitution
<b>Recommendation:</b>	IT BE RECOMMENDED TO COUNCIL THAT the Calendar of Meetings for 2017/18 be approved.
<b>Reasons for Recommendation:</b>	In order to comply with the Council's Constitution.

**Cabinet - 28th November 2016**

**Calendar of Meetings 2017/18**

**Report of the Executive Director**

**Recommendation**

IT BE RECOMMENDED TO COUNCIL THAT the Calendar of Meetings for 2017/18 be approved.

The Calendar of Meetings for 2017/18, set out at Appendix 1, is submitted to Cabinet for approval.

The timetable takes into account the following:

- i) the requirement for five cycles of meetings per year;
- ii) the requirement for five ordinary meetings of Council;
- iii) the requirement for two special meetings of Council to be held in September 2017 and February 2018 to consider the approval of the statement of accounts and budget setting respectively;
- iv) the requirement of Planning Committee to meet on a 3/4 week cycle throughout the year; and
- v) the requirement for the annual meeting of Council to avoid the annual meeting of Warwickshire County Council.

Appeals Committee meets on an ad hoc basis.

Every effort has been made to avoid scheduling meetings during the dates of the political parties' conferences and local community forums in 2017. However, due to the volume of meetings to be incorporated in the calendar, it has not been possible to avoid these dates entirely.

It is proposed that the meeting of Cabinet usually held in late November be rearranged to be held on 4 December 2017. This will allow time for any direct implications of the Chancellor's Autumn Statement for the Council to be assessed and included in the budget report for that meeting. Consequently, the full meeting of Council would be moved back to 14 December 2017 to give time for any reports from that Cabinet meeting to be included on its agenda.

Meetings of Cabinet and Council have been scheduled to avoid school holidays for Warwickshire.

Name of Meeting: Cabinet  
Date of Meeting: 28th November 2016  
Subject Matter: Calendar of Meetings 2017/18  
Originating Department: Executive Director

**List of Background Papers**

There are no background papers relating to this item.

## Calendar of Meetings 2017/18

Appendix

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Mon	May	15	July	31	Oct	16	Jan	1	New Year's Day	Mar	19
Tue		16	Aug	1		17		2			20
Wed		17		2		18	Planning	3			21
Thu		18		3		19		4			22
Mon		22		7		23		8	Cabinet		26
Tue		23		8		24		9			27
Wed		24	Planning	9		25		10	Planning		28
Thu		25		10		26		11			29
Mon		29	Bank Holiday	14		30	Cabinet	15	Whittle OSC	Apr	2
Tue		30		15		31	Licensing	16			3
Wed		31		16	Planning	Nov	1	17			4
Thu	June	1		17		2		18			5
Mon		5	Cabinet	21		6	Whittle OSC	22			9
Tue		6		22		7		23	Licensing		10
Wed		7		23		8	Planning	24			11
Thu		8		24		9		25			12
Mon		12	Whittle OSC	28	Bank Holiday	13		29			16
Tue		13		29		14	Council	30	Audit and Ethics		17
Wed		14	Planning	30		15		31	Planning		18
Thu		15		31		16		Feb	1		19
Mon		19	Sep	4	Cabinet	20		5	Cabinet		23
Tue		20		5	Licensing	21	Audit and Ethics	6	Special Council		24
Wed		21		6	Planning	22		7			25
Thu		22		7		23		8			26
Mon		26	Cabinet	11	Whittle OSC	27		12			
Tue		27	Audit and Ethics	12		28		13			
Wed		28		13		29	Planning	14			
Thu		29		14		30		15	Brooke OSC		
Mon	July	3		18	Dec	4	Cabinet	19		May	7
Tue		4	LD	19		5		20			Bank Holiday
Wed		5	LD	20		6		21	Planning		
Thu		6		21	Audit and Ethics	7	Brooke OSC	22			9
Mon		10	L	25		11		26			10
Tue		11	L	26		12		27	Council		
Wed		12	L	27	Planning	13		28			
Thu		13		28	Special Council	14	Council	Mar	1		
Mon		17	Oct C	2		18		5	Cabinet		
Tue		18	C	3		19		6			
Wed		19	C	4	Cabinet	20		7			
Thu		20		5		21		8			
Mon		24		9		25	Christmas Day	12	Whittle OSC		
Tue		25		10		26	Boxing Day	13			
Wed		26	Planning	11		27	Council closed	14	Planning		
Thu		27		12	Brooke OSC	28		15			

**NOTE:**

Meetings of the Council commence at 7pm.

Meetings of Cabinet and Committees commence at 5.30pm.

An updated list of all meetings open to the public is available on the Council's web site at [www.rugby.gov.uk](http://www.rugby.gov.uk).

**C = Conservative Party Conference:**

01/10/2017 – 04/10/2017

**L = Labour Party Conference:**

24/09/2017 – 27/09/2017

**LD = Liberal Democrat Party Conference:**

16/09/2017 – 20/09/2017

**INTERNAL USERS** can find

an updated list of all meetings, including pre-meetings, agenda dispatch dates and report deadlines in the 'Committees & WP's - Councillor & Committee Information' folder which is available in the Public Folders through Microsoft Outlook. The working parties and task groups' dates are updated on an ad hoc basis throughout the year and are available from the 'Calendar of Meetings' in the Public Folders, within the 'Committees & WP's' folder, through Microsoft Office.

\*OSC – Overview and Scrutiny Committee

***AGENDA MANAGEMENT SHEET***

<b>Report Title:</b>	Appointments to Outside Bodies - Miscellaneous Appointments
<b>Name of Committee:</b>	Cabinet
<b>Date:</b>	28th November 2016
<b>Report Director:</b>	Executive Director
<b>Portfolio:</b>	Corporate Resources
<b>Ward Relevance:</b>	All
<b>Prior Consultation:</b>	Trustees of Hillmorton Charities have been consulted
<b>Contact Officer:</b>	Linn Ashmore, Democratic Services Officer, Tel: 01788 533522
<b>Public or Private:</b>	Public
<b>Report subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	Yes
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	This report does not specifically relate to any Council priorities, but should be considered by Cabinet for the following reasons: To ensure continuity of the Council's representation on outside bodies.
<b>Statutory / Policy Background:</b>	
<b>Summary:</b>	One term of office on Outside Bodies (Miscellaneous Appointments) is due to expire and requires re-appointment.
<b>Financial Implications:</b>	There are no financial implications for 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:**

One current representative to the Trustees of Hillmorton Charities be re-appointed.

Risks: None

Benefits: Continuity of representation

**Recommendation:**

Mr W Goodman be re-appointed to the Trustees of Hillmorton Charities for a further four year term of office expiring on 28<sup>th</sup> November 2020.

**Reasons for Recommendation:**

To ensure continuity of representation.

**Cabinet - 28th November 2016**

**Appointments to Outside Bodies - Miscellaneous Appointments**

**Report of the Executive Director**

**Recommendation**

Mr W Goodman be re-appointed to the Trustees of Hillmorton Charities for a further four year term of office expiring on 28<sup>th</sup> November 2020.

**BACKGROUND**

One term of office for the Trustees of Hillmorton Charities is due to expire on 19<sup>th</sup> November 2016 for Mr W Goodman. Mr Goodman has confirmed he is willing to continue to serve the Charity for a further four year term of office and the Trustees of the Charity have also been consulted.

Name of Meeting:  
Cabinet

Date of Meeting:  
28th November 2016

Subject Matter:  
Appointments to Outside Bodies - Miscellaneous Appointments

Originating Department: