

AGENDA MANAGEMENT SHEET

Report Title:	Council Tax Determination 2022/23
Name of Committee:	Council
Date of Meeting:	22 February 2022
Report Director:	Chief Officer - Finance and Performance
Portfolio:	Finance, Performance, Legal and Governance
Ward Relevance:	All Wards
Prior Consultation:	Cabinet 7 February 2022
Contact Officer:	Jon Illingworth, Section 151 and Chief Financial Officer, jon.illingworth@rugby.gov.uk, 01788 533410
Public or Private:	Public
Report Subject to Call-In:	Yes
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies): <input checked="" type="checkbox"/> Rugby is an environmentally sustainable place, where we work together to reduce and mitigate the effects of climate change. (C) <input checked="" type="checkbox"/> Rugby has a diverse and resilient economy that benefits and enables opportunities for all residents. (E) <input checked="" type="checkbox"/> Residents live healthy, independent lives, with the most vulnerable protected. (HC) <input checked="" type="checkbox"/> Rugby Borough Council is a responsible, effective and efficient organisation. (O) Corporate Strategy 2021-2024 <input type="checkbox"/> This report does not specifically relate to any Council priorities but
Summary:	This is the Final Budget report to include Revenue, Capital, and Treasury commitments for 2022/23 through to 2025/26.
Financial Implications:	As detailed in the main report and appendices.

Risk Management/Health and Safety Implications:	The Council has a statutory duty to set an annual General Fund revenue budget that will enable it to determine the level of council tax.
Environmental Implications:	There is a Climate Change Impact Assessment of the implications in Appendix 6.
Legal Implications:	There are no legal implications arising from this report.
Equality and Diversity:	There is an Equality Impact Assessment of the implications in Appendix 7.
Options:	N/A
Recommendation:	<ol style="list-style-type: none"> (1) The Council pass a resolution in the form set out in Appendix 1, for the Rugby Borough Council and Rugby Parish element of the Council Tax requirement. (2) Delegated authority be given to the Executive Director in consultation with the Chief Financial Officer upon confirmation of the Police Crime Commissioner Precept to include such amount within the Council tax resolution as detailed within this report. (3) The Growth, Income and Savings proposals for 2022/23 as set out in Appendices B, C and D of the Council Tax Booklet (Appendix 2) be approved. (4) The key decisions as shown in Appendix E of the Council Tax Booklet (Appendix 2) and section 6 of this report, be approved. (5) The transfer of £1.000m from the Business Rates Equalisation reserve to the Transformation reserve as detailed within the Key Decisions Appendix E of the Council Tax Booklet (Appendix 2) be approved. (6) The transfer of £0.500m from the Business Rates Equalisation reserve to the Climate Change reserve as detailed within the Key Decisions Appendix E of the Council Tax Booklet (Appendix 2) be approved. (7) The General Fund Capital Programme as detailed in Appendix F of the Council Tax Booklet (Appendix 2) be approved.

- (8) The Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments as set out in Appendix 3 be considered.
- (9) The proposed 2022/23 Fees and Charges as set out in the detailed schedule at Appendix 4 and previously considered by Cabinet on 10 January 2022 be approved.
- (10) The NNDR return set out in Appendix 5 be noted.

**Reasons for
Recommendation:**

This updated overview of the Council's General Fund revenue and capital budgets needs to be approved by Full Council as part of the budget setting process and to ensure its affordability.

The report includes proposals for savings and income generation which require consideration for inclusion in the 2022/23 final budgets and also the medium term.

Council - 22 February 2022

Council Tax Determination 2022/23

Public Report of the Chief Financial Officer

Recommendation

- (1) The Council pass a resolution in the form set out in Appendix 1, for the Rugby Borough Council and Rugby Parish element of the Council Tax requirement.
- (2) Delegated authority be given to the Executive Director in consultation with the Chief Financial Officer upon confirmation of the Police Crime Commissioner Precept to include such amount within the Council tax resolution as detailed within this report.
- (3) The Growth, Income and Savings proposals for 2022/23 as set out in Appendices B, C and D of the Council Tax Booklet (Appendix 2) be approved.
- (4) The key decisions as shown in Appendix E of the Council Tax Booklet (Appendix 2) and section 6 of this report, be approved .
- (5) The transfer of £1.000m from the Business Rates Equalisation reserve to the Transformation reserve as detailed within the Key Decisions Appendix E of the Council Tax Booklet (Appendix 2) be approved
- (6) The transfer of £0.500m from the Business Rates Equalisation reserve to the Climate Change reserve as detailed within the Key Decisions Appendix E of the Council Tax Booklet (Appendix 2) be approved
- (7) The General Fund Capital Programme as detailed in Appendix F of the Council Tax Booklet (Appendix 2). The Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments as set out in Appendix 3 be considered.
- (8) The Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments as set out in Appendix 3 be considered.
- (9) The proposed 2022/23 Fees and Charges as set out in the detailed schedule at Appendix 4 and previously considered by Cabinet on 10 January 2022 be approved.
- (10) The NNDR return set out in Appendix 5 be noted.

THIS REPORT INCLUDES APPENDICES AS FOLLOWS;

- **Appendix 1** Council Tax Resolution template.
- **Appendix 2** Budgets and Council Tax Booklet for 2022/23, including:
 - Appendix A Draft General Fund Revenue Summary 2022/23
 - Appendix B Draft General Fund Revenue Growth Proposals 2022/23
 - Appendix C Draft General Fund Revenue Income Adjustments 2022/23
 - Appendix D Draft General Fund Revenue Savings Proposals 2022/23
 - Appendix E Key Decisions 2022/23
 - Appendix F Draft General Fund Capital Programme 2022/23 to 2024/25
 - Appendix G Medium Term Financial Plan 2022 – 2026
 - Appendix H Medium Term Financial Strategy 2018 – 2023
 - Appendix I General Fund (GF) Reserves and Balances over the Medium Term Financial Plan 2022/26
 - Appendix J – Parish Precepts 2022/23
 - Appendix K – Capital Strategy 2022/23
 - Appendix L – Treasury Management Strategy incorporating the Investment Strategy 2022/23
- **Appendix 3** Section 25 Statement.
- **Appendix 4** Fees and Charges Schedule for 2022/23.
- **Appendix 5** National Non-Domestic Rates Return (NNDR1) 2022/23
- **Appendix 6** Climate Change Impact Assessment
- **Appendix 7** EqIA Council Tax

1. INTRODUCTION

In order to determine overall Council Tax levels for 2022/23, a range of financial implications are assessed, and these are outlined in the appendices.

Most of the budget setting information is included in Appendix 2, the Council Tax Booklet, along with detailed appendices as outlined above. This booklet provides details of the procedures and decisions required for setting Council Tax levels alongside a more detailed breakdown of budgets by portfolio and service.

The main changes in the budget information since the report to Cabinet on 7 February are detailed in section 3 below.

Appendix 4 of this report provide details on all of the proposed fees and charges for the year. There are no significant changes from the schedule considered by Cabinet on 10 January.

At the time of publication, the Police Precept has not been confirmed by the Police and Crime Commissioner. If this information is not available by the 22 February, the final council tax resolution cannot be approved as it includes the amounts for all precepting bodies. It is recommended that authority be given to the Executive Director in consultation with the Chief Financial Officer upon confirmation of the Police Crime Commissioner Precept to include such amount within the Council tax resolution as detailed within this report. Rugby Borough Council cannot debate the police precept but does need the information to finalise the total precept that the residents will pay.

2. LOCAL GOVERNMENT FINANCE SETTLEMENT

The Final Local Government Finance Settlement was announced on the 7 February 2022 via a written statement, see link below.

<https://www.gov.uk/government/publications/final-local-government-finance-settlement-2022-to-2023-policy-impact-statement/final-local-government-finance-settlement-2022-to-2023-policy-impact-statement>

There were no material changes in the final settlement for Rugby Borough Council, therefore the budgets remain based on the figures contained in the provisional settlement that have been reported to Cabinet in January and February.

3. BUDGET POSITION

Officers have presented three progress reports on the delivery of the budget, including a detailed draft budget report presented to Cabinet in January and an update in February. Details are included Appendix 2. Should members approve a different increase in council tax then the draft budget will need to be adjusted accordingly.

The final changes since the last report presented to Cabinet 7 February 2022 are listed below within Table 1.

Main Changes	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s
February 2022 Report Budget Shortfall	0	3,200	0	64
Funding Changes				
Collection Fund Surplus Business Rates	(2,195)	2,195	0	0
Growth in Business Rates Following NNDR1	(361)	361	0	0
In year Growth for Business Rates yield to BRER following submission of NNDR1		(542)	(69)	(393)
Total deficit including changes since February Cabinet	(2,556)	5,214	(69)	(329)
Less changes to Key Decisions				
Collection Fund surplus to BRER	2,195	(2,195)		
changes in excess Growth transferred to BRER one year only	361	(361)		
Changes in excess Growth transferred to BRER		542	69	393
Transfer of Funds from BRER	(1,500)	1,500		
Transfer of from to Transformation Reserve	1,000	(1,000)		
Transfer of from BRER to Climate Change Reserve	500	(500)		
Revised Position MTFP	0	3,200	0	64

Table 1 – Summary of budget changes since February 2022 Budget Report presented to Cabinet

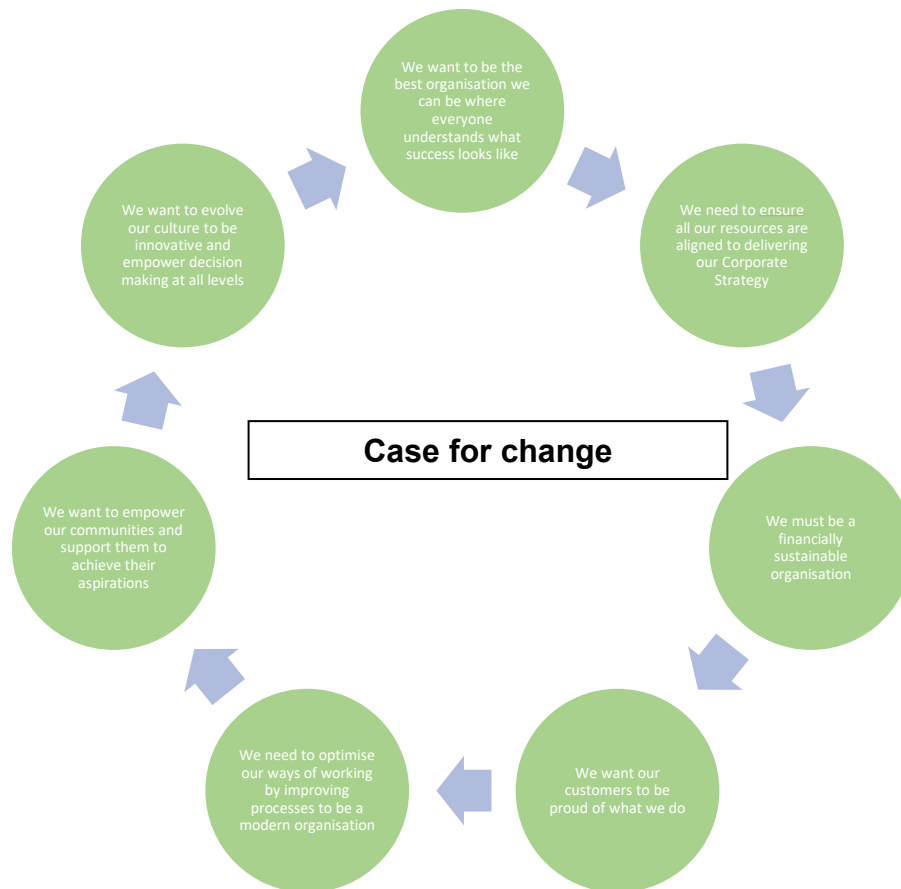
The main changes to the medium term financial plan reflect the NNDR1 submission for business rates, a realignment of the Business rates equalisation reserve, Council Tax collection fund and final precept information from the Parish Councils. The overall position is improved within Business Rates because of the following;

- (£1.851m) – estimated collection fund surplus which includes the outcome of the review of provision for appeals for 2020/21 and the agreed spread of the 2020/21 deficit of £0.343m for 2022/23.
- (£0.361m) – the increased yield following the submission of the NNDR1 return for 2022/23 as detailed within Appendix 3 and (£1.004m) for future years. However, it needs to be noted that growth above RBC's sustainable baseline is budgeted to be transferred to reserves.
- The previously reported savings and income targets have now been fully allocated to services.

Furthermore, a cumulative budget gap of £3.264m still exists across the medium term as also shown in the Medium Term Financial Plan included at Appendix G of the Council Tax Booklet, however this is based on assumptions made without clarity from Central Government in relation to the Fair Funding, Business Rates reset and the future of the New Homes Bonus scheme. This will be continued to be monitored over the next 12 months as new information is made available.

Officers are developing a transformation programme to support the organisation to deliver a balanced Medium Term Financial Plan. The impact of the funding changes has meant that innovation and new ways of working are the only way to deliver the scale of savings needed from 2023/24 onwards. Since presenting a strategic summary to Cabinet in September, officers have undertaken a business operating model review and this will inform the transformation plan. The programme has developed the case for change

principles which are aligned to the delivery of the Corporate Strategy. This have been communicated to all colleagues in the organisation through employee briefings and will feature in all future work.



The programme will be multi-year and the timeline will be established to ensure that there is sufficient lead time for decision making and implementation to deliver the maximum benefit. Further details will be reported to Members in due course.

It is recognised that transformation will require an investment to deliver and during 2021/22 a dedicated reserve of £0.500m was established. With the business rates reset being deferred by a further year it is proposed that £1.000m is transferred from the business rates equalisation reserve to the Transformation reserve which will help to pump prime schemes and fund temporary staff resource when colleagues are deployed into delivering the programme. This will create a balance of £1.400m after taking into account current commitments.

4. COUNCIL TAX REQUIREMENT

The final Local Government Financial settlement confirmed for 2022/23 that shire districts have the flexibility to increase rates by a maximum 1.99% or £5, whichever is greater. For financial planning purposes a maximum increase of £5 has been projected for all years of the medium-term financial strategy.

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

The following table shows the additional Council Tax income that will be generated in 2022/23 from either a £5 or 1.99% increase in the Band D Council Tax.

	£5 increase 2021/22 £	1.99% increase 2022/23 £	£5 increase 2022/23 £
Basic Band D Amount	199.72	202.55	204.72
Annual Increase	5.00	3.95	5.00
Council Tax Requirement - excluding Parish Precepts	(7,736,250)	(7,997,571)	(8,083,373)
Additional Income in 2022/23		(261,321)	(347,123)

Table 2 – Council Tax increases when compared with 2021/22

5. COUNCIL TAX LEVELS

The actual “doorstep” amount of Council Tax to be paid by any property in the Borough will depend on a number of factors:

- 1) Every resident in the whole of the Borough Council area will pay the “general” Council Tax amount, adjusted depending upon the actual banding of their property.
- 2) In addition to the general amount, residents will pay an added amount depending on:
 - whether they live in the Town area, where they will need to meet the costs of the Special Expenses activities, or
 - whether they live in a Parish area that has planned spending and has set a precept.

Residents who live in a Parish area that has not set a precept, will only pay the general Council Tax amount.

The total council tax bill receivable by each council taxpayer in the Borough will include the County Council and the Police & Crime Commissioners precepts, local parish council precepts and any special expense precept, where relevant.

A full list of parish precepts for 2022/23 is provided in Appendix J of the Council Tax Booklet (Appendix 2).

In addition, a template resolution is shown at Appendix 1 to this report. The final figures in the resolution will be those approved by Council at the meeting on 22 February 2022.

6. KEY DECISIONS

Key decisions are set out in section 1 and Appendix E of the Council Tax Booklet (Appendix 2). They have been incorporated into the budget for 2022/23 and are included within the balanced budget and MTFP.

The Council needs to support government policies to reduce reliance on private vehicles, reduce congestion, improve air quality, and meet Climate Emergency commitments. The Council will remove the subsidy on evening and weekend parking, meaning that charges will return during these periods. Officers will undertake a complete review of its parking strategy which will take into account customer needs, the role of parking in supporting the town centre economy, and environmental factors. As a consequence of the decision, the £0.150m town centre improvement fund budget will not have a £0.100m commitment against it like in previous years to support the service with the reduction in cash collected for parking fees.

Included within the key decisions is (£0.050m) additional income generated through pre planning agreements (PPA). A planning performance agreement (PPA) is a project management tool which the local planning authorities and applicants can use to agree timescales, actions, and resources for handling particular applications. It should cover the pre-application and application stages but may also extend through to the post-application stage. Planning performance agreements can be particularly useful in setting out an efficient and transparent process for determining large and/or complex planning applications. They encourage joint working between the applicant and local planning authority and can also help to bring together other parties such as statutory consultees. A planning performance agreement is agreed voluntarily between the applicant and the local planning authority prior to the application being submitted and can be a useful focus of pre-application discussions about the issues that will need to be addressed.

7. NATIONAL NON-DOMESTIC RATES

The National Non-Domestic Rates return for 2022/23 has been submitted. A copy is included in Appendix 3 for information.

8. COST OF THE CAPITAL PROGRAMME

The MTFP includes the interest costs associated with the expected borrowing required for delivering the three-year capital programme shown in Appendix A of the Council Tax Booklet (Appendix 2).

The total expected resourcing requirement for the 2022/23 capital programme is £7.576m. The impact of this is that if external borrowing is undertaken, full year interest costs of £0.110m and a Minimum Revenue Provision of £0.354m will feature in the 2023/24 budget. Details of this can be found in Appendix F of the Council Tax Booklet (Appendix 2).

9. FEES AND CHARGES

Under the Council's constitution, every charge needs to be approved annually as part of the budget setting process. A schedule of the proposed fees for 2022/23 is included at Appendix 4 of this report.

10. STATEMENT OF THE CHIEF FINANCIAL OFFICER

Section 25 of the Local Government Act 2003 requires that when a local authority is agreeing its annual budget and Council Tax precept, the Chief Financial Officer must report on the adequacy of available Council reserves and balances and also the robustness of the proposed budget. This detailed report is presented at Appendix 5.

In summary, it is the Chief Financial Officer's view that the estimates for 2022/23 are robust, the proposed level of reserves is adequate and the proposals for balancing the budget are accepted as being achievable.

A risk assessment of the key corporate reserve assumptions was considered by Cabinet in January 2022. This assessment included the Business Rates Equalisation Reserve. As part of the Medium Term Financial Strategy 2018-23 any business rates growth above the baseline level has been transferred to this reserve. As a result, it is currently estimated that as at 31 March 2022, (£9.625m) is predicted to be available to offset the financial risks in the General Fund across the MTFP, which includes the expected cliff edge impact of the business rates reset.

11. CLIMATE CHANGE

A climate change assessment has been completed for Council Tax Determination and is included in Appendix 6.

The transition to net zero is a key priority in the Corporate Strategy and it is recognised that significant investment will be required to support the Council's aspirations. In 2020/21, a dedicated climate change reserve was established with £0.500m being contributed to it as part of the budget setting process. It is proposed that a further £0.500m is transferred to the reserve using the business rates growth above the baseline that the Council has generated following the deferral of the business rates reset. This reserve will enable the Council to pump prime projects within the General Fund and support the organisation to take an innovative approach without putting additional pressures on the General Fund.

12. EQUALITY

Under the terms of the Equality Act 2010 the Council must assess the impact (EqIA) of its financial decisions on the “protected groups” listed in the Act. There is a duty to consider the impact of its decisions with regard to race, gender, disability, sexual orientation, religion, belief, pregnancy and maternity.

An overarching high level EqIA has been completed for Council Tax Determination and is included in Appendix 7. However, individual EqIA’s will be completed by services for savings they have identified and agreed by Council where necessary.

13. CONCLUSION

In summary, the proposals in this report provide a balanced budget for 2022/23. This includes;

- £1.176m – growth and inflation across operational services
- (£0.417m) – saving and new income generating proposals
- (£0.698m) – service related key decisions including;
 - (£0.328m) – reduction in COVID-19 recovery fund which now has a balance of £0.772m
 - (£0.250m) – relating to the start of the transformation programme
- A Council Tax increase of £5 – the maximum permitted before a referendum is required

The Council must decide on an affordable level of spending for the coming year. The draft budget proposed in this report, includes the proposed items as shown in Appendix 2 (the Council Tax Booklet and all appendices) and Appendix 4 (the proposed fees and charges). Should Members wish to propose changes to any of these items, the amendments will need to ensure a balanced budget is set overall.

Name of Meeting: Council

Date of Meeting: 22 February 2022

Subject Matter: General Fund Revenue and Capital Budget 2022/23

Originating Department: Finance and Performance

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

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink
	Draft General Fund Revenue and Capital Budget 6 September 2021
	Draft General Fund Revenue and Capital Budget 10 January 2022
	Draft General Fund Revenue and Capital Budget 7 February 2022

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

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

COUNCIL MEETING - 22 FEBRUARY 2022

COUNCIL TAX DETERMINATION 2022/23

RECOMMENDED THAT:-

- (1) the Council's General Fund Capital budget for 2022/23 be as shown within Appendix 6 & 7 of the "Council Tax Determination 2022/23" report. With the following variations:

£
0

- (2) the Council's General Fund Revenue budget for 2022/23 be as shown within Appendix 2 of the "Council Tax Determination 2022/23" report. With the following variations:

£

0

- (3) the Council Tax requirement for the Council's own purposes for 2022/23 (excluding Parish precepts) be calculated as £xxxxxxx, equating to a £xxxx increase for a Band D property;

- (4) the Council note that in the professional opinion of the Chief Financial Officer the level of reserves and balances as detailed in Appendix 11 of the "Council Tax Determination 2022/23" report are adequate to support the level of spending in the proposed capital and revenue budgets for 2022/23 and onwards;

- (5) it be noted that at its meeting on 10th January 2022 Cabinet confirmed the following amounts for the year 2022/23 calculated in accordance with regulations under section 33(5) of the Local Government Finance Act 1992:-

(a) **39,485.02** being the amount calculated by the Council in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as its Council Tax base for the year.

(b) Part of the Council's area

Parish of

Ansty	128.67
Binley Woods	1,000.70
Birdingbury	169.09
Bourton & Draycote	144.85
Brandon & Bretford	297.18
Brinklow	467.60
Burton Hastings	100.31
Cawston	1,984.11
Church Lawford	159.26
Churchover	784.81
Clifton-upon-Dunsmore	1,390.40
Combe Fields	68.77
Copston Magna	21.36
Cosford	8.56
Dunchurch	1,764.53
Easehall	108.38
Frankton	174.82
Grandborough	217.67
Harborough Magna	185.60
Kings Newnham	29.31
Leamington Hastings	239.72
Long Lawford	1,397.80
Marton	215.05
Monks Kirby	225.14
Newton & Biggin	510.64
Pailton	223.36

Princethorpe	173.66
Ryton-on-Dunsmore	697.99
Shilton & Barnacle	346.71
Stretton Baskerville	8.74
Stretton-on-Dunsmore	518.89
Stretton-under-Fosse	96.64
Thurlaston	208.24
Wibtoft	25.66
Willey	38.51
Willoughby	191.45
Withybrook	121.81
Wolfhampcote	156.05
Wolston	995.22
Wolvey	516.64
Rugby Town Area	23,239.32
MOD Properties	131.80

being the amounts calculated by the Council in accordance with regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate;

(6) consequent upon the above revised tax base for Rugby Special Expenses Area the following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992, as amended:-

- | | | |
|-----|---------------|--|
| (a) | £
xxxxxxxx | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (<i>gross expenditure including parish precepts</i>); |
| (b) | xxxxxxxx | being the aggregate of the amounts which the Council estimates for the items set out in Section 31(A)(3) of the Act (<i>gross income</i>); |
| (c) | xxxxxxxx | being the amount by which the aggregate at 6(a) above exceeds the aggregate at 6(b) above, calculated by the Council in accordance with Section 31(A)(4) of the Act as its Council Tax requirement for the year; |
| (d) | xxxxxxxx | being the amount at 6(c) above divided by the amount at 5(a) above, calculated by the Council in accordance with Section 31(B) of the Act, as the basic amount of its Council Tax for the year (<i>including parish precepts</i>); |
| (e) | xxxxxxxx | being the aggregate amount of all special items referred to in Section 34(1) of the Act (<i>parish precepts and town area special expenses</i>); |
| (f) | xxxxxxxx | being the amount at 6(d) above less the result given by dividing the amount at 6(e) above by the amount at 5(a) above, calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (<i>Rugby Borough Council Tax excluding parish precepts and town area special expenses</i>); |

(g) Part of the Council's area

Parish of	£
Ansty	xxxx
Binley Woods	xxxx
Birdingbury	xxxx
Bourton & Draycote	xxxx
Brandon & Bretford	xxxx
Brinklow	xxxx
Burton Hastings	xxxx
Cawston	xxxx
Church Lawford	xxxx
Churchover	xxxx
Clifton-upon-Dunsmore	xxxx
Combe Fields	xxxx
Copston Magna	xxxx
Cosford	xxxx
Dunchurch	xxxx
Easenhall	xxxx
Frankton	xxxx
Grandborough	xxxx
Harborough Magna	xxxx
Kings Newnham	xxxx
Leamington Hastings	xxxx
Long Lawford	xxxx
Marton	xxxx
Monks Kirby	xxxx
Newton & Biggin	xxxx
Pailton	xxxx
Princethorpe	xxxx
Ryton-on-Dunsmore	xxxx
Shilton & Barnacle	xxxx
Stretton Baskerville	xxxx
Stretton-on-Dunsmore	xxxx
Stretton-under-Fosse	xxxx
Thurlaston	xxxx
Wibtoft	xxxx
Willey	xxxx
Willoughby	xxxx
Withybrook	xxxx
Wolfhampcote	xxxx
Wolston	xxxx
Wolvey	xxxx
Rugby Town Area	xxxx

being the amounts given by adding to the amount at 6(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 5(b) above, calculated by the Council in accordance with Section 34(3) of the Act as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate (*Rugby Borough Council plus parish/town area Council Tax for each parish/town area at Band D*);

(h) the amounts set out in Annex 1, being the amounts given by multiplying the amounts at 6(f) and 6(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (*Rugby Borough Council plus parish/town area Council Tax for each parish/town area for each Band*);

(7) it be noted that for the year 2022/23 Warwickshire County Council and Warwickshire Police & Crime Commissioner have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands £	Warks. County Council £	Police & Crime Commr. £
A	1,060.62	TBC
B	1,237.39	TBC
C	1,414.16	TBC
D	1,590.93	TBC
E	1,944.47	TBC
F	2,298.01	TBC
G	2,651.55	TBC
H	3,181.86	TBC

and

(8) having calculated the aggregate in each case of the amounts at 6(h) and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts set out at Annex 2, as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown;

(9) the Council has determined that its relevant basic amount of Council Tax for 2022/23 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2022/23 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.



COUNCIL – 22 FEBRUARY 2022

**Final Draft
GENERAL FUND
CAPITAL AND REVENUE
BUDGETS**

AND

**COUNCIL TAX
FOR
2022/23**



INTRODUCTION

This booklet sets out:

- The current position for the Council's draft General Fund capital and revenue budgets for 2022/23;
- The total spending plans for the County Council, the Office of the Police and Crime Commissioner and Parish Councils for 2022/23; and
- Information on other factors that need to be taken into account when the Council Tax for 2022/23 is set.
- A forecast summary of Reserves across the medium term.

This booklet has been produced to show a broad overview of the General Fund budgets for consideration by Council together with some other background information on Council Tax.

Where requested further information can be provided to all Councillors, electronically, shortly after the Council meeting when the budget and levels of Council Tax have been agreed.

I hope you find this document useful and informative.

Jon Illingworth

Chief Financial Officer

22 February 2022



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1 Rugby Borough Council Draft General Fund Revenue Budget

1.1 General Fund Revenue Budget 2022/23 – A Current Overview

2021/22 Original Budget £000s	Draft General Fund Revenue Summary 2022/23	2022/23 Draft Budget £000s
	EXPENDITURE:	
1,239	Growth & Investment	1,404
3,166	Leisure and Wellbeing	3,505
2,875	Finance, Performance, Legal and Governance	3,208
1,272	Regulation and Safety	1,287
2,259	Communities, Homes, Digital and Communications	2,393
3,925	Operations and Traded Services	4,157
(0)	Change and Transformation	(250)
(0)	Executive Director	(61)
1,100	Estimated Pressure due to the COVID-19 Pandemic	772
(27)	Corporate Items	(270)
15,809	PORTFOLIO EXPENDITURE	16,145
(2,373)	Less Capital Charge Adjustment	(2,565)
(300)	Less Corporate Savings Target (including salary voids)	(300)
(363)	Less Pension Adjustment	(380)
12,773	NET PORTFOLIO EXPENDITURE	12,900
432	Net Cost of Borrowing	42
1,506	Minimum Revenue Provision (MRP)	1,621
(50)	Investment Income	(50)
88	Revenue Contribution to Capital Outlay	88
3,196	Contribution to Business Rate Equalisation Reserve	2,633
0	Contribution to Transformation Reserve	1,000
0	Contribution to Climate Change Reserve	500
(587)	Contribution from BRER - Management of Funding Changes	(531)
(6,586)	Contribution from BRER - Collection Fund Deficit	1,851
(26)	Contribution from Budget Stability Reserve - Council Tax Deficit	103
(644)	Contribution from Budget Stability Reserve - Management of Budget Gap	(112)
0	Contribution to Reserves & Balances from Earmarked Reserves	(106)
10,101	TOTAL EXPENDITURE (before Parish Precepts)	19,940
896	Parish Council Precepts and Council Tax Support	940
10,998	TOTAL EXPENDITURE	20,880
	INCOME:	
(6,114)	Retained Business Rates	(7,412)
6,586	Retained Business Rates - Collection Fund Surplus(-)/Deficit	(1,851)
(2,863)	Government Grants Including New Homes Bonus Funding	(2,491)
26	Council Tax - Collection Fund Surplus(-)/Deficit	(103)
(0)	Contribution from Balances	0
(2,366)	TOTAL INCOME	(11,858)
8,633	COUNCIL TAX REQUIREMENTS	9,023

Table 1 – Budget Summary 2021/22 and 2022/23

Table 1 above provides a summary of the proposed budget compared to the original budget for 2021/22. A more detailed breakdown is included at [Appendix A](#) which provides further details of what those changes included.

1.2 Portfolio Budget Proposals 2022/23

(i) Growth Proposals

[Appendix B](#) provides details of the portfolio growth proposals for 2022/23.

Pay

The 2021/22 inflationary figure is still to be finalised; for budgeting purposes a value of 1.75% has been assumed. For 2022/23 it has been assumed that 2% would be the approved increase. Given the uncertainty around the inflationary pay increases for both years, there is a risk around the assumptions. For every 1% increase in pay the authorities wage bill will increase by £0.160m. Therefore, any increase above the proposed increase will need to be met from an in year use of reserves and has been considered as part of the risk assessment.

Pensions

The employer's contributions to the Warwickshire Pension fund were calculated on a triennial basis in 2020/21 with the three years contribution paid as a lump sum in advance. The benefit of this will be reversed 2023/24 unless the decision is taken to pay in advance again.

In-Service Pressures

In-service pressures include the impact of changes to contracts, increased demand for services and the impact of any changes in the economic climate. The total growth amounts to £0.523m (including inflation) with full schedule of proposals shown in [Appendix B](#). The significant items shown within the budget for 2022/23 include;

- £0.175m – Reduction in housing benefit overpayments due to more claimants moving to universal credit.
- £0.140m – Increase in costs and requirements for software licences.

(ii) Income and Savings

[Appendix C](#) provides details of the portfolio income proposals and [Appendix D](#) details of savings proposals for 2022/23.

Income

The proposals at [Appendix C](#) (totalling £0.124m) include increased fees and charges and interest received from the loan to Caldecott Developments Limited, service and procurement related income offset by some decreases in income such as the Warwickshire Homelessness Early Intervention Project which ends in March 2022.

Savings target

The budget includes savings proposals (totalling £0.293m) which includes (£0.100m) from procurement contracts. The full schedule of proposals is shown in [Appendix D](#).

(iii) Key Decisions

The Key Decisions for the 2022/23 budget setting are outlined in [Appendix E](#).

- **Growth items** – (positive values) are additional costs for the year. If the decision is made not to pursue either scheme the budget will be reduced accordingly.
- **Savings** – (negative values) If the decision is made not to pursue these schemes the deficit will be increased accordingly, and further savings or income generation options will need to be pursued.
- **One-off** – The use of reserves and grant funding is one-off and the entry is reversed in the following year

(iv) General Fund Capital Budget Revenue Implications 2022/23

The proposed capital programme for 2022/23 is shown in [Appendix F](#). This includes proposed funding and the revenue implications (Minimum Revenue Provision, MRP). Revenue implications and interest costs/MRP for 2022/23 arising from all the schemes shown in [Appendix F](#) have been included within the General Fund revenue budget in Table 1 and [Appendix A](#).

The capital schemes were subject to an appraisal process which asked several questions about each proposed scheme. Some of the factors considered include:

- **Strategic Case** - relevant local and national policies and strategies
- **Commercial Case** - the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis
- **Financial Case** - the capital and revenue costs / savings over the life span of the project
- **Management Case** - the governance, plans, and resources that are in place for successful implementation
- **Climate change** – demonstrate where applicable that it meets the Council's climate change emergency agenda
- **COVID-19** – demonstrate where applicable that it will assist in the Council's recovery planning in response to the coronavirus pandemic

Decisions on which schemes to be approved for 2022/23 should take into account:

- any capital costs required in later years in order to complete a scheme;
- interest costs and Minimum Revenue Provision (MRP) associated with borrowing to fund the programme; and
- revenue consequences of individual schemes.

If any capital scheme having revenue or interest implications for 2022/23 is removed from the draft capital budget, it will have an impact on the General Fund revenue budget.

1.2.1 Proposed Budget – Growth and Investment Portfolio

Details of growth, income, savings, and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Growth and Investment							
Building Control Service	78	0	0	0	0	10	88
Economic Development	699	0	0	0	8	12	719
Growth & Investment	0	0	0	0	11	(11)	0
Land Charges	(42)	0	0	0	2	14	(26)
Planning Services	163	0	0	(50)	42	20	175
Town Centre CCTV & Management	288	0	0	0	0	10	298
Town Centre Improvements	53	0	0	150	0	(53)	150
	1,239	0	0	100	63	2	1,404

Table 2 – Movement in Budget Growth and Investment Portfolio

The budget has increased by £0.165m. As well as accounting for the estimated pay award, the portfolio also includes the continued Key Decision for the Town Centre Improvement Budget for a further year of £0.150m. It has been assumed that this budget will be removed in 2023/24 as detailed in Appendix E. Any continuation of this will be a key decision as part of the budget setting process for 2023/24.

The service has also included additional income generated through pre planning agreements (PPA). A planning performance agreement (PPA) is a project management tool which the local planning authorities and applicants can use to agree timescales, actions, and resources for handling particular applications. It should cover the pre-application and application stages but may also extend through to the post-application stage. Planning performance agreements can be particularly useful in setting out an efficient and transparent process for determining large and/or complex planning applications. They encourage joint working between the applicant and local planning authority and can also help to bring together other parties such as statutory consultees. A planning performance agreement is agreed voluntarily between the applicant and the local planning authority prior to the application being submitted and can be a useful focus of pre-application discussions about the issues that will need to be addressed.

1.2.2 Proposed Budget – Leisure and Wellbeing Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Leisure and Wellbeing							
Art Gallery & Museum	843	0	0	0	18	1	862
The Benn Hall	94	0	0	0	4	10	108
Hall of Fame	(120)	0	0	0	0	120	0
Leisure & Wellbeing	0	0	0	0	7	(7)	0
Parks, Recreation Grounds & Open Spaces	1,877	0	0	0	13	240	2,130
Parks & Public Realm	14	0	0	0	0	0	14
Queen's Diamond Jubilee Centre	(48)	(19)	0	0	0	6	(61)
Sports & Recreation	297	0	0	0	18	(59)	256
Visitors' Centre	209	0	0	0	14	(27)	196
	3,166	(19)	0	0	74	284	3,505

Table 3 – Movement in Leisure and Wellbeing Portfolio

The budget has increased by £0.339m. After accounting for the estimated pay award, the main changes are mainly due to the closure of the Hall of Fame and increased depreciation and grounds maintenance costs within Parks services.

1.2.3 Proposed Budget – Finance, Performance, Legal and Governance Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Finance, Performance, Legal and Governance							
Business Support Services	0	0	0	(1)	11	(10)	0
Civic Responsibilities	14	0	0	0	0	0	14
Council Tax & Business Rates Collection	511	0	0	(2)	17	30	556
Corporate Assurance	0	0	0	0	12	(12)	0
Head of Corporate Resources	0	0	0	0	0	0	0
Democratic/Corporate Core	1,285	0	0	0	0	88	1,373
Democratic Services	0	0	0	0	19	(19)	0
Electoral Registration	177	0	0	(2)	6	22	203
Electoral Services	96	0	0	0	0	128	224
Equality & Diversity	0	0	0	0	1	(1)	0
Finance and Performance	0	0	0	0	8	(8)	0
Financial Services	0	0	0	0	31	(31)	0
General Financial Expenses	0	41	0	(18)	0		23
Legal & Governance	0	0	0	0	7	(7)	0
Legal Services	0	0	0	0	10	(10)	0
Mayoral Services	11	0	0	0	0	0	11
Members' Expenses	369	6	0	0	14	0	389
Retired Employees/Unapportionable	412	0	0	0	0	26	438
	2,875	47	0	(23)	136	196	3,230

Table 4 – Movement in Finance, Performance, Legal and Governance Portfolio

The budget has increased by £0.355m. After accounting for the estimated pay award, the main changes are mainly due to the increased budget required for elections and insurances.

1.2.4 Proposed Budget – Regulation and Safety Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Regulation and Safety							
Car Parks & Parking	(72)	0	0	(0)	0	(92)	(164)
Cemeteries	121	0	(23)	0	2	28	128
Crematorium	(86)	6	(27)	(2)	12	12	(85)
Crime & Disorder	104	0	0	0	3	(1)	106
Hackney Carriages & Private Hire Vehicles	13	0	0	0	0	26	39
Licensing	48	0	0	0	8	18	74
Regulatory Services	997	0	0	0	51	(48)	1,000
Regulation & Safety	0	0	0	0	7	(7)	0
Safety & Resilience	147	12	0	0	7	23	189
	1,272	18	(50)	(2)	90	(41)	1,287

Table 5 – Movement in Regulation and Safety Portfolio

Whilst salaries have increased, this has been offset by income generated within the Car Parks service. The Council needs to support government policies to reduce reliance on private vehicles, reduce congestion, improve air quality, and meet Climate Emergency commitments. The Council will remove the subsidy on evening and weekend parking, meaning that charges will return during these periods. Officers will undertake a complete review of its parking strategy which will take into account customer needs, the role of parking in supporting the town centre economy, and environmental factors. As a consequence of the decision, the £0.150m town centre improvement fund budget will not have a £0.100m commitment against it like in previous years to support the service with the reduction in cash collected for parking fees.

1.2.5 Proposed Budget – Communities, Homes, Digital and Communications Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

Communities, Homes, Digital and Communications	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Cast Team	1,666	1	0	(188)	123	32	1,634
Communication	0	8	10	(8)	7	(17)	0
Community Grants	181	0	0	(63)	0	25	144
Head of Communities & Homes	0	0	0	0	0	0	0
Communities & Homes	0	0	0	0	4	(4)	0
Public Conveniences	70	0	0	(8)	0	6	68
Corporate Property Administration	0	37	0	(33)	43	(47)	0
Corporate Property Management	45	0	0	0	0	(5)	40
Customer & Information Services	0	98	(31)	(15)	52	(104)	0
Customer Support Services	0	0	0	0	38	(38)	0
Digital	0	0	0	0	1	(1)	0
Handyperson Service	0	0	0	0	0	0	0
HEART Shared Service Scheme	(0)	5	0	0	2	7	14
House Purchase & Improvement Loans	(2)	0	0	0	0	0	(2)
Housing Benefits Payments	(113)	175	0	0	0	0	62
Housing Strategy & Enabling	400	0	0	0	4	13	417
Leisure Grants	21	0	0	0	0	(21)	0
Public Offices	0	0	0	(8)	0	8	0
Central Telephone Service	(0)	0	0	(1)	0	1	(0)
Warks Homelessness Early Intervention Project	0	0	82	0	(75)	(6)	1
Welfare Services (Private Lifelines)	(105)	5	0	0	0	0	(100)
Woodside Park	96	0	0	0	4	16	116
	2,259	329	61	(324)	203	(136)	2,392

Table 6 – Movement in Communities, Homes, Digital and Communications Portfolio

The budget has increased by £0.134m which is largely due to the pay award for both 2021/22 and 2022/23 and the continued reduction in the level housing benefit overpayments due to the rollout of universal credit. Also included is a growth item within the Customer and Information Service for the increased cost of software licences (detailed in Appendix B) and the inclusion of a key decision for the Cast Team for savings for housing acquisitions (detailed in Appendix E).

1.2.6 Proposed Budget – Operations and Traded Services Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Operations and Traded Services							
WSU Depot	0	0	0	0	0	0	0
Head of Environment & Public Realm	0	0	0	0	0	0	0
Grounds Maintenance	0	0	0	(1)	52	(27)	24
Miscellaneous Highways Services	402	0	0	(0)	5	18	425
Land Drainage	6	0	0	0	0	10	16
Operations & Traded Services	0	0	0	0	3	(3)	0
Sewage Disposal Plant	12	0	0	0	0	(1)	11
Street Cleansing	916	0	0	(2)	27	6	947
Trade Waste/Recycling	(13)	2	42	(44)	12	16	15
WSU Vehicle Workshop	7	0	0	(0)	9	(16)	0
Waste Collection & Recycling	2,595	51	(48)	(43)	125	39	2,719
	3,925	53	(6)	(90)	233	42	4,157

Table 7 – Movement in Operations and Traded Services Portfolio

The budget has increased by £0.232m which is due to the pay award for both 2021/22 and 2022/23. The impact of growth in relation to bulk freight costs has been offset by savings against vehicle repair and maintenance costs within services.

1.2.7 Proposed Budget – Change and Transformation Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Change and Transformation							
Transformation Change	0	55	0	(309)	25	(21)	(250)
	0	55	0	(309)	25	(21)	(250)

Table 8 – Movement in Change and Transformation Portfolio

The budget has increased to cover the salaries and the proposed new structure elsewhere on this agenda. In addition, there is a key decision allocating the organisation savings linked to transformational changes which is discussed in later sections.

1.2.8 Proposed Budget – Executive Services Portfolio

Details of growth, income, savings and capital are included in Appendices B, C, D and E respectively. The table below shows a more detailed analysis of the revenue budget included in [Appendix A](#).

	2021/22 Original Budget £000s	Growth & Inflation £000s	Income £000s	Saving & Key Decisions £000s	Salary Adj £000s	Other Adj £000s	2022/23 Draft Budget £000s
Executive Services							
Executive Director	0	0	0	0	17	(16)	1
Limited Company	0	40	(105)	0	0	3	(62)
Resources	0	0	0	(1)	15	(14)	0
	0	40	(105)	(1)	32	(27)	(61)

Table 9 – Movement in Executive Services Portfolio

The budget has been to cover the cost of salaries which is then apportioned across services through internal recharges. The limited company includes an estimate of governance costs and income from investment and interest.

1.3 Fees and Charges

Fees and charges represent a significant source of finance for the Council. The Council receives approximately (£6.300m) from income each year. The Council provides a wide range of services for which fees and charges can be made. However, some of these fees and charges are set at a statutory level such as planning application fees and environmental protection fees. Others are discretionary, and the Council can decide upon an appropriate charge for the service. Examples include bulky waste collections and room hire charges for which the fees and charges are reviewed annually as part of the budget setting process.

It is important that fees and charges are set at an appropriate level to optimise income to the Council and is further reinforced within the Medium Term Financial Strategy which assumes these will be reviewed annually with the current assessment including a 4% increase where appropriate. See Appendix 4 to the Council report for the full schedule.

There is still a risk relating to the financial impact of the COVID-19 pandemic and therefore the budget set for 2022/23 includes the continuation of the centrally held COVID-19 recovery fund to mitigate any ongoing risk to this funding stream. The value of the fund has reduced from £1.100m to £0.772m and with the ending of Central Government grant funding to support Local Authorities with the impact of COVID-19, there is a risk that there will be a greater requirement to use this fund.

1.4 Planned Spending on Corporate Items

(i) Net Cost of Borrowing (NCoB)

£0.042m - Interest is earned by investing Council funds not required for spending purposes at a time, although this is more than offset by the current cost of borrowing.

(ii) Minimum Revenue Provision (MRP)

£1.621m - The Council is required to set sums aside from revenue resources for the repayment of loans which have been used for capital expenditure purposes. The amount to be set aside is calculated based on the estimated life of the assets for which borrowing has been undertaken.

The combination of the Net Cost of Borrowing and MRP totals £1.664m and represents the total annual financing costs for the Council's General Fund debt.

(iii) Revenue Contribution to Capital Outlay

£0.088m - Revenue Contributions to Capital Outlay are contributions from the revenue budget to finance capital expenditure.

(iv) Contributions to the Business Rates Equalisation Reserve (BRER)

There are a number of reserve movements in setting the budget for 2022/23 which result in a net movement of (2.603m):

- £2.632m – this is the transfer of 2022/23 business rates growth above the baseline to help mitigate the anticipated reduction in funding from the business rates reset and the review of relative needs and resources in future years. This

is after taking into account the £1.500m proposed transfer to the Climate Change and the Transformation reserve.

- (£0.531m) - One off benefit to smooth the budget plan which is then reversed in 2023/24

(v) **Contributions to and from other Earmarked Reserves**

Included in appendix E are proposals to use specific earmarked reserves from the Hall of Fame and non-conditional grant funding which is no longer required. In addition to this, it is proposed that the £1.500m of the business rates growth above the baseline is used to provide an extra £1.000m for the transformation reserve and £0.500m to the climate change reserve.

As part of the forward planning for the medium term, earmarked reserve forecasts are produced, and this is shown in appendix I. The Council is forecasting to draw down (£0.849m) which includes the key decisions included within the budgeting for 2022/23. As the appendix is still a forecast and plans still need to be formulated, if the use of the reserve is required the appropriate approval will be gained before the release of funds.

1.5 Corporate Income

(i) **Retained Business Rates**

It was confirmed in the Provisional Local Government Funding Settlement in December that the reset of accumulated business rates growth will not take place in 2022/23. This means the business rates retention scheme effectively rolls forward unchanged for another year resulting in the continued benefit of retained growth above the baseline.

In 2022/23 Rugby will expect to retain (£7.412m) of its business rates, (including benefit from pooling), representing a (£1.297m) increase compared to 2021/22.

(ii) **New Homes Bonus**

There is a further one-year New Homes Bonus allocation for 2022/23 in addition to the final legacy payment for 2019/20. The MTFP only assumes that the returned New Homes Bonus will form part of the new funding methodology in future years and is estimated at (£0.145m).

Rugby's total New Homes Bonus allocation for 2022/23 will be (£1.934m). This represents an increase of (£0.154m) of compared to 2021/22.

(iii) **Other Government Grants** - In 2022/23 the Council estimates that it will receive (£0.556m) in other grants, consisting of;

- (£0.194m) - Housing Benefit Administration grant
- (£0.088m) – Estimated Council Tax Support Administration Grant
- (£0.108m) – Lower Tier Services Grant
- (£0.166m) – New Services Grant

1.6 Medium Term Financial Plan

All of the information relating to the budget preparation has been extended into a Medium Term Financial Plan (MTFP) up to 2025/26. This is shown in [Appendix G](#).

The MTFP provides a useful tool for planning ahead and forecasting the financial impact of proposals on future financial expectations. This plan will be reviewed and updated annually.

2 Budget Context 2022/23

2.1 Overview

A balanced draft budget is presented for 2022/23, based upon an assumed £5 increase in Council Tax.

2.2 Financial Strategy

The Medium Term Financial Strategy (MTFS) which covers the period 2018-2023 adopted a number of policies to support this. These policies are reflected in this draft budget and are directly referred to within the relevant sections of this report. The MTFS is shown in [Appendix H](#).

As explained in previous reports, the most fundamental policy relates to the utilisation of excess Retained Business Rates and that any growth is transferred to the Business Rates Equalisation Reserve to help mitigate against the cliff edge reduction in income following the business rates reset.

With the new Corporate Strategy being adopted, the MTFS will be amended to reflect the changing priorities of the organisation and the potential impact of future government policy.

To compliment the Medium Term Financial Strategy, Local Authorities should have in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes and a Treasury Management which demonstrates how the Council's treasury service will support capital decisions made as part of the capital programme and the funding thereof, the day-to-day treasury management activities and the limitations on borrowing activity through treasury and prudential indicators and limits.

In previous years the Capital Strategy was incorporated into the Treasury Management Strategy, however for 2022/23 the strategies have been disaggregated and were presented to the Audit and Ethics Committee on the 1 February 2022. The strategies can be found in appendix K and L of this document

2.3 Local Government Finance Settlement 2022/23

The Final Local Government Finance Settlement was announced on 7 February via a written statement, see link below.

<https://www.gov.uk/government/publications/final-local-government-finance-settlement-2022-to-2023-policy-impact-statement/final-local-government-finance-settlement-2022-to-2023-policy-impact-statement>

There were no material changes in the final settlement for Rugby Borough Council, therefore the budgets remain based on the figures contained in the provisional settlement, as reported to Cabinet previously.

2.4 Business Rates

Table 10 shows how the funding for Business Rates would be allocated over the medium term, with a proportion of business rates included in the base budget and remaining growth contributed to reserves.

Detailed Business Rates funding	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s
Settlement Funding Assessment (SFA)	(2,414)	(2,463)	(2,511)	(2,560)
Sustainable baseline Business rates growth above the SFA funding level	(505)	(455)	(407)	(360)
Business rates growth above the sustainable baseline	(4,133)	(1,506)	(1,598)	(1,687)
Business rates pooling dividend	(360)	0	0	0
Total Retained Income	(7,412)	(4,424)	(4,516)	(4,607)

Table 10 – Summary of Business Rates Income over the medium Term 2022 - 2026

SFA represents the proposition of business rates authorities need to retain in order to fund core services (along-side other income e.g. Council Tax, fees and charges).

The Government will not proceed with widescale funding reform in 2022/23, including the implementation of the Review of Relative Needs and Resources (previously called the Fair Funding Review), 75% business rates retention, and a reset of accumulated growth under the business rates retention system.

The reforms are expected to be implemented in 2023/24 and so there are still significant risks on future baseline funding levels and any retention of growth. However, this will continue to be reviewed and updated as further information is made available.

- SFA income across the MTFP is assumed to remain at an estimated average level of (£2.487m) on reset from 2023/24. As previously reported, the Review of Relative Needs and Resources will be focussing on this area of funding for all authorities which presents a risk to the Council if the assessment of needs is reduced.
- Following the reset, it is assumed that there will be a significant reduction in the proportion of growth that the authority retains. With total growth dropping from (£4.133m) in 2022/23 to (£1.506m) in 2022/23 and an overall business rates funding level to assume a sustainable baseline of (£2.918m).
- The Council continues to contribute to the BRER with business rates growth above the sustainable baseline.

2.5 Council Tax

As part of the final Local Government Finance Settlement 2022/23, the Secretary of State for the Ministry of Housing, Communities and Local Government confirmed the Council Tax referendum principles for 2022/23.

For 2022/23, shire district councils can increase their relevant basic amount of council tax, by up to 2% or £5, whichever is greater. This is the maximum increase in Council

Tax that the Secretary of State has permitted for district councils before being required to seek the approval of their local electorate in a referendum.

As per the policy adopted in the Medium-Term Financial Strategy, for financial planning purposes a maximum increase in Council Tax has been assumed at £5 for all years.

The relevant Basic Band D Council Tax for 2022/23 is **£204.72** excluding parish precepts. It is the relevant Basic Band D Council Tax multiplied by the tax base that provides the council tax requirement of **£8.083m** for 2022/23.

2.6 Collection Fund

Rugby Borough Council, as billing authority, collects the Council Tax and Business Rates on behalf of Central Government, Warwickshire County Council, the Office of the Warwickshire Police & Crime Commissioner, the various Parishes as well as for itself and pays all income into the Collection Fund.

Under the legislative framework for the collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of Council Tax and business rates collected could be less or more than estimated.

Billing authorities must calculate the estimated surplus or deficit for council tax and business rates in January each year. These estimated amounts must be included in the General Fund budget for the forthcoming year.

2.6.1 Collection Fund Deficit - Business Rates

It is estimated there will be a business rates surplus on the collection fund of (£4.628m) at the end of 2021/22 of which Rugby's share is (£1.851m). This incorporates £0.343m for the proportion of the deficit in 2020/21 resulting from the three-year spread put in place to smooth the impact of the pandemic.

The final deficit spread allocation of £0.343m has been factored into the MTFP for 2023/24.

This one-off surplus has been transferred to the business rates equalisation reserve to mitigate any future volatility in business rates yield.

2.6.2 Collection Fund Deficit – Council Tax

It is estimated that there will be a Council Tax surplus on the collection fund of (£0.933m) at the end of 2021/22 of which Rugby's share is (£0.103m) and incorporates £0.014m for the proportion of the deficit in 2020/21 resulting from the three-year spread put in place to smooth the impact of the pandemic.

The final deficit spread allocation of £0.014m has been factored into the MTFP for 2023/24.

This one-off surplus has been transferred to the budget stability reserve to mitigate any future risks in Council tax collection.

These amounts are included in the Council Tax requirement for 2022/23.

2.7 General Balances and Earmarked Reserves

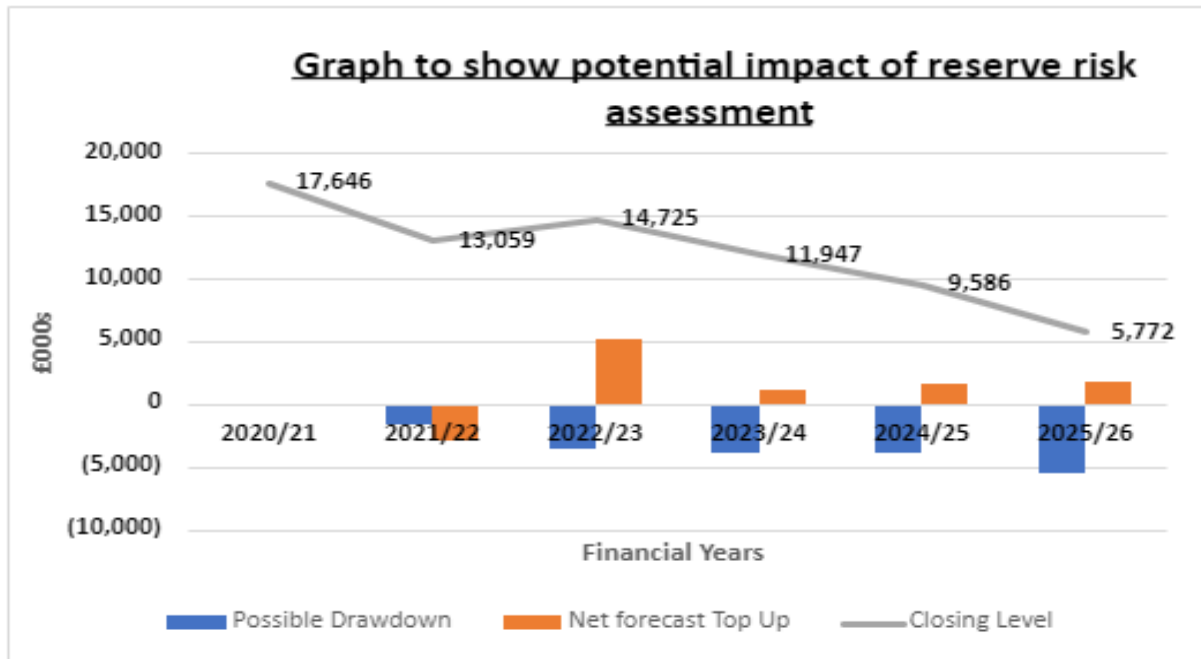
The analysis of balances and earmarked reserves is shown in [Appendix I](#). This provides a forecast of all General Fund balances up to 2026. The summary balances for 2022/23 are shown in Table 11 below.

	Balance at 31st March 2022	Forecast Transfers out	Transfers in	Balance at 31st March 2023
	£000s	£000s	£000s	£000s
Gen Fund Revenue Acc	(2,250)	0	0	(2,250)
Corporate Reserves	(12,469)	2,383	(7,595)	(17,680)
Organisation Wide Reserves	(1,762)	195	0	(1,566)
Executive Directors	(900)	350	(1,500)	(2,050)
Leisure and Wellbeing	(98)	54	(6)	(50)
Growth and Investment	(163)	40	0	(123)
Finance, Performance, Legal and Governance	(37)	5	0	(32)
Communities and Homes, Digitalisation and Communications	(671)	171	0	(500)
Regulation and Safety	(237)	17	(28)	(248)
Operation and Traded	(66)	17	0	(49)
TOTAL General Fund Reserves	(18,652)	3,232	(9,129)	(24,548)

Table 11 – Summary of Reserve balances across the Medium Term

The balances of reserves are reviewed annually and for the corporately held reserves a risk assessment is completed, details of which were reported to Cabinet in January 2022.

The risk assessment is not a forecast use of reserves, it is a summary of all of the financial risks that could face the authority. The chart below shows that there is a potentially significant drop in corporately held reserves over the life of the MTFP and this will have an impact on the financial resilience of the organisation if balances are not replenished.



Graph 1 – Graph to show potential impact of reserve risk assessment.

The final Finance and Performance Monitoring Report which will be presented to Cabinet in June 2022 will include the results of a further review of the adequacy of all earmarked and corporate reserves which could include recommendations to realign reserves based on continued analysis on the risk profile for each reserve.

3 Major Preceptor Budgets and Precepts

Warwickshire County Council (WCC) and the Office of the Warwickshire Police and Crime Commissioner (WPCC) set their own separate budgets and precepts.

The precepts and average Council Tax Band D equivalents for 2022/23 are shown in Table 14 below with comparative amounts for the two previous years.

The 2022/23 increases are based on the following:

- WCC – A 3.744% increase which includes the precept for adult social care.
- WPCC – to be confirmed

	2020/21 £	2021/22 £	2022/23 £
WCC Precept	57,671,737	59,401,246	62,817,903
WCC Average Band D (including Adult Social Care Precept)	1,488.87	1,533.51	1,590.93
WPCC Precept	9,217,816	9,798,518	TBC
WPCC Average Band D	237.97	252.96	TBC

Table 12 – Indicative precepts and average Council Tax Band D equivalents 2020/21 through to 2022/23

4 Council Tax Calculation

4.1 Council Tax Base

On 10 January 2022 Cabinet approved the 2022/23 Council Tax Base for the whole area at **39,485.02**.

Table 13 below shows the tax base for 2022/23 with comparative amounts for the two previous years.

	2020/21	2021/22	2022/23
Tax Base	38,735.24	38,735.48	39,485.02
% Anticipated Collection Rate	98.6%	98.0%	98.6%

Table 13 – Summary of Council Tax Base 2020/21 through to 2022/23

4.2 The Special Expenses Scheme

The Council operates a Special Expenses scheme that ensures residents only pay for services provided in their area.

The scheme operates on the basis that certain services are for the benefit of residents in the town area only and they will need to meet the costs of these “Special Expense” activities shown below:

- Parks and open spaces
- Cemeteries
- Town Centre CCTV & Management

The above activities can also be carried out directly by Parish Councils and where this occurs, the estimated costs are included within Parish Precepts.

A specific “special expenses” calculation is undertaken to ensure residents do not pay twice for such services.

4.3 Parish Precepts 2022/23

Parish Precepts are charged to Parish taxpayers only. Each Parish Council precepts an amount to meet their planned spending on parish activities for the forthcoming year.

For 2022/23, Parish Councils have requested precepts totalling £0.940m which is an increase of £0.044m or 4.88% on the total amount for 2021/22 of £0.896m. A full list of Parish Precepts is included at [Appendix J](#) to this booklet.

4.4 Council Tax Levels

The actual “doorstep” amount of Council Tax to be paid by any property in the Borough will depend on a number of factors.

Every resident in the whole of the Borough Council area will pay the “general” Council Tax amount.

In addition, residents will pay an added amount depending on:

- whether they live in the Town area, where they will need to meet the costs of the Special Expenses activities shown above, or
- whether they live in a Parish area that has planned spending and has set a precept.

Residents who live in a Parish area that has not set a precept, will only pay the amount of the general Council Tax amount.

4.5 Council Tax Bands

The Valuation Office Agency allocates each property to one of eight bands according to its value on the open market at 1 April 1991. Newly constructed properties are also assigned a nominal 1991 value.

	Ratio to Band D	Valuation from £	Valuation to £
A	6/9	0	40,000
B	7/9	40,001	52,000
C	8/9	52,001	68,000
D	9/9	68,001	88,000
E	11/9	88,001	120,000
F	13/9	120,001	160,000
G	15/9	160,001	320,000
H	18/9	320,001	No upper limit

Table 14 – Council Tax valuation Bands

Eligible properties may qualify for a disabled person reduction. If eligible, the bill will be reduced to that of a property in the valuation band immediately below.

Appendix A Draft General Fund Revenue Summary 2022/23

Draft General Fund Revenue Summary 2022/23	2021/22 Revised Budget	Corporate Adjustments	Total Inflation	Salary Adjustments	Proposed Growth Items (Appendix B)	Proposed Income Adjustments (Appendix C)	Savings (Appendix D)	Key Decisions (Appendix E)	2022/23 Draft Budget
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
EXPENDITURE:									
Growth & Investment	1,314	(73)	0	63	0	0	0	100	1,404
Leisure and Wellbeing	3,266	184	(19)	74	0	0	0	0	3,505
Finance, Performance, Legal and Governance	2,794	254	41	136	6	0	(23)	0	3,208
Regulation and Safety	1,189	42	6	90	12	(50)	(2)	0	1,287
Communities, Homes, Digital and Communications	2,278	(155)	51	203	278	62	(104)	(220)	2,393
Operations and Traded Services	3,899	68	23	233	30	(6)	(90)	0	4,157
Change and Transformation	(0)	(21)	0	25	55	0	(59)	(250)	(250)
Executive Director	128	(155)	0	32	40	(105)	(1)	0	(61)
Estimated Pressure due to the COVID-19 Pandemic	1,100	0	0	0	0	0	0	(328)	772
Corporate Items	(27)	0	0	(204)	0	(25)	(14)	0	(270)
PORTFOLIO EXPENDITURE	15,941	144	102	652	421	(124)	(293)	(698)	16,145
Less Capital Charge Adjustment	(2,373)	(192)	0	0	0	0	0	0	(2,565)
Less Corporate Savings Target (including salary voids)	(300)	0	0	0	0	0	0	0	(300)
Less Pension Adjustment	(363)	(17)	0	0	0	0	0	0	(380)
NET PORTFOLIO EXPENDITURE	12,905	(65)	102	652	421	(124)	(293)	(698)	12,900
Net Cost of Borrowing	422	(380)	0	0	0	0	0	0	42
Minimum Revenue Provision (MRP)	1,506	115	0	0	0	0	0	0	1,621
Investment Income	(50)	0	0	0	0	0	0	0	(50)
Revenue Contribution to Capital Outlay	88	0	0	0	0	0	0	0	88
Contribution to Business Rate Equalisation Reserve	3,196	0	0	0	0	0	0	(563)	2,633
Contribution to Transformation Reserve	0	0	0	0	0	0	0	1,000	1,000
Contribution to Climate Change Reserve	0	0	0	0	0	0	0	500	500
Contribution from BRER - Management of Funding Changes	(587)	0	0	0	0	0	0	56	(531)
Contribution from BRER - Collection Fund Deficit	(6,586)	0	0	0	0	0	0	8,437	1,851
Contribution from Budget Stability Reserve - Council Tax Deficit	(26)	0	0	0	0	0	0	18	(8)
Contribution from Budget Stability Reserve - Management of Budget Gap	(644)	0	0	0	0	0	0	644	0
Contribution to Reserves & Balances from Earmarked Reserves	0	0	0	0	0	0	0	(106)	(106)
TOTAL EXPENDITURE (before Parish Precepts)	10,224	(330)	102	652	421	(124)	(293)	9,289	19,940
Parish Council Precepts and Council Tax Support	896	44	0	0	0	0	0	0	940
TOTAL EXPENDITURE	11,120	(286)	102	652	421	(124)	(293)	9,289	20,880
INCOME:									
Retained Business Rates	(6,114)	(1,298)	0	0	0	0	0	0	(7,412)
Retained Business Rates - Collection Fund Surplus(-)/Deficit	6,586	(8,437)	0	0	0	0	0	0	(1,851)
Government Grants Including New Homes Bonus Funding	(2,863)	372	0	0	0	0	0	0	(2,491)
Council Tax	(8,633)	(391)	0	0	0	0	0	0	(9,023)
Council Tax - Collection Fund Surplus(-)/Deficit	26	(129)	0	0	0	0	0	0	(103)
TOTAL INCOME	(10,998)	(9,883)	0	0	0	0	0	0	(20,880)
VARIANCE ON BUDGET	122	(10,169)	102	652	421	(124)	(293)	9,289	0

Appendix B Draft General Fund Revenue Growth Proposals 2022/23

Service Line Description	Account Description	Growth £000s	Proposal Detail	Corresponding savings/income proposal Y / N (Y = Total offset)	Reference
Housing Benefits Payments	Reimbursements - Outside Scope	175	The continued reduction in the level of Housing Benefit overpayments due to the roll out of universal credit. As more claimants are moved to universal credit the number of housing benefit overpayments will reduce.	N	C&H G1
Total Housing Benefits Payments		175			
HEART Shared Service Scheme	Capital expenditure financed from revenue balances	5	Growth for revenue contribution to capital scheme	N	C&H G2
Total Heart Shared Service Scheme		5			
Welfare Services (Private Lifelines)	Non SLA recharges	5	The number of lifelines has decreased for both sheltered (HRA) and non sheltered units (General Fund). The increase represents the share of costs chargeable to the General Fund based upon non sheltered units currently in use.	N	C&H G3
Total Welfare Services (Private Lifelines)		5			
Total Communities & Homes		185			
Communication	Salaries & Wages	8	Increase hours for post within the team to meet demand, to be funded through a reduction in the existing Publicity budget.	Y(D&C S1)	D&C G1
Total Communication Services		8			
Customer & Information Services	Salaries & Wages	10	Additional Staff costs linked to services provided to other local authority	Y(D&CI2)	D&C G2
Customer & Information Services	Software/Equipment Licences	30	The increase is due to the costs associated with the inclusion of telephone licences together with Microsoft licences increase	N	D&C G3
Customer & Information Services	Hardware Maintenance	45	Additions within the capital programme have resulted in increased licencing requirements for hardware installations	N	D&C G4
Total Customer and Information Services		85			
Total Digital & Communication		93			
Total Communities, Homes, Digital and Communications		278			
Transformation Change	Salaries & Wages	55	Service Redesign for staffing requirements moving forward	Y (TU S1)	TU G1
Total Change and Transformation		55			
Total Change and Transformation		55			
Holding Company	Operating costs	40	Budget required for Caldecott Group Ltd to cover general running costs including consultancy, finance and audit costs and legal advice.	Y (ED I1)	ED G1
Total Limited Company		40			
Total Executive Directors Services		40			
Members' Expenses	Special Responsibility Allowance	6	Additional costs required following the Portfolio restructure	N	L&G G1
Total Members' Expenses		6			
Total Finance, Performance, Legal and Governance		6			
Waste Collection & Recycling	External Contractor & Operator	30	Increase in bulk freight costs	Y (O&T S2)	O&T G1
Total Waste Collection & Recycling		30			
Total Operations & Traded Services		30			
Safety and Resilience		12	Additional cost following the review of HR policies and health and safety screening for existing and new appointments	N	R&S G1
Total Regulation and Safety		12			
Overall Total Growth Proposals		421			

Appendix C Draft General Fund Revenue Income Adjustments 2022/23

Service Line Description	Account Description	Income £000s	Proposal Detail	Corresponding Growth/Income Y / N (Y = Total offset)	Reference
Warks Homelessness Early Intervention Project	Contributions & Donations	82	The current project will end in March 2022; the reduction in income is offset by a decrease in salary costs for this service.	N	C&H I1
Total Warks Homelessness Early Intervention Project		82			
Total Communities & Homes		82			
Communication	Reimbursements - Standard Rated	10	The salary recharge has reduced based upon current volumes of work attributable to Nuneaton & Bedworth Borough Council	N	D&C I1
Total Communication		10			
Customer & Information Services	Reimbursements - Standard Rated	(31)	Recharge to Nuneaton & Bedworth Borough Council for the HEART scheme recognised until November 2022	Y(D&C G2)	D&C I2
Total Customer & Information Services		(31)			
Total Digital & Communication		(21)			
Total Communities , Homes , Digital and Communications		61			
Limited Company	RBC Development Ltd	(105)	Interest estimated to be received from Caldecott Developments Ltd following the issue of loans throughout the year.	Y (ED G1)	ED I1
Total Limited Company		(105)			
Total Executive Director		(105)			
Trade Waste/Recycling	Fees & Charges - Outside Scope	42	Reduced income target link to cost of Trade Waste Officer post now disestablished	Y(O&T S1)	O&T I1
Total Trade Waste/Recycling		42			
Bulky Waste	Fees & Charges - Outside Scope	(47)	Increase in income budget for bulky waste service based on increase number of pick ups / days	N	O&T I2
Total Bulky Waste		(47)			
Total Operations & Traded Services		(6)			
Cemeteries General	Fees & Charges - Outside Scope	(15)	Increase to income from burials budget based on review of fee and volume	N	R&S I1
Cemeteries General	Licences - Outside Scope	(8)	Increase to income from exclusive right of burial budget based on review of fee and volume	N	R&S I2
Total Cemeteries		(23)			
Crematorium	Fees & Charges - Exempt	(27)	Review of service delivery and pricing fees in respect of Cremations, Chapel Services, Memorial packages and Webcasts	N	R&S I3
Total Crematorium		(27)			
Total Regulation & Safety		(50)			
Corporate Item	Corporate Savings Target	(25)	Commission generated from procurement framework from Pagabo		
Total Corporate Items		(25)			
Overall Total Income Proposals		(124)			

Appendix D Draft General Fund Revenue Savings Proposals 2022/23

Service Line Description	Account Description	Savings £000s	Proposal Detail	Corresponding growth/Income Proposal Y / N (Y = Total offset)	Reference
Cast Team	R&M External Contractors	(22)	Based upon historical and current years expenditure for repair and maintenance.	N	C&H S1
Cast Team	Building cleaning	(9)	Savings found through the procurement of the council's cleaning contract which has resulted in savings across the authority.	N	C&H S2
	Total Cast Team	(31)			
Public Conveniences	Building cleaning	(8)	Savings found through the procurement of the council's cleaning contract which has resulted in savings across the authority.	N	C&H S3
	Total Public Conveniences	(8)			
Corporate Property Administration	Salaries & Wages	(33)	A vacant post within the service has been disestablished	N	C&H S4
	Total Corporate Property Administration	(33)			
Public Offices	Building cleaning	(8)	Savings found through the procurement of the council's cleaning contract which has resulted in savings across the authority.	N	C&H S5
	Total Public Offices	(8)			
Minor Adjustments within Communities & Homes		(1)		N	C&H S6
	Total Communities & Homes	(81)			
Communication	Publicity & Marketing	(8)	The current publicity budget has been reviewed in line with current trend and has been reduced. This saving will be used to offset the cost of additional hours within the team.	Y (D&C G1)	D&C S1
	Total Communication	(8)			
ITC & Support Services	Software / Equipment licence	(7)	Savings found through the procurement of software licences	N	D&C S2
ITC & Support Services	Software Maintenance	(6)	Reduction in the software maintenance budget following the 3-year cost of the licensing software being capitalised	N	D&C S3
	Total Customer & Information Services	(13)			
Minor Adjustments within Digitalisation & Communication		(4)		N	D&C S4
	Total Digitalisation & Communication	(24)			
	Total Communities, homes, Digital and Communications	(104)			
Transformation Change Unit	Salaries & Wages	(59)	Salary adjustments - Pay award and increments	Y(TU G1)	TU S1
	Total Change and Transformation	(59)			
Minor Adjustments within Executive Directors Office		(1)		N	ED S1
	Total Executive Directors Office	(1)			
General Financial Services	Other Insurance Premiums	(18)	Procurement Saving on Insurances	N	F&P S1
Minor Adjustments within Finance & Performance		(2)		N	F&P S2
	Total General Financial Services	(20)			
Governance		(3)		N	L&G S1
	Total Legal & Governance	(3)			
	Total Finance, Performance, Legal and Governance	(23)			

Appendix D Draft General Fund Revenue Savings Proposals 2022/23 (Contd)

Service Line Description	Account Description	Savings £000s	Proposal Detail	Corresponding growth/Income Proposal Y / N (Y = Total offset)	Reference
Trade Waste Collection	Salaries & Wages	(42)	A vacant post within the service has been disestablished	Y (O&T I1)	O&T S1
Total Trade Waste Services		(42)			
Domestic Waste Collection/Recycling	Vehicle Repair and Maintenance	(30)	Reduced costs vehicle repairs & maintenance due to new fleet	Y (O&T G1)	O&T S2
Domestic Waste Collection/Recycling	Vehicle Fuel	(9)	Corporate procurement savings - fuel	N	O&T S3
Total Waste Collection & Recycling		(39)			
Traded		(9)		N	O&T S4
Total Operations & Traded Services		(90)			
Minor Adjustments within Regulation and Safety		(2)		N	R&S 1
Total Regulation & Safety		(2)			
Corporate Item	Other Miscellaneous Expenses	(14)	Reduction in centrally held budget - not required	N	
Total Corporate Items		(14)			
Overall Total Savings Proposals		(293)			

Appendix E Key Decisions 2022/23

Key Decisions	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	
Reversal of prior year key decisions					
Reversal of Contribution From BRER – COVID 2021/22	587	0	0	0	2021/22 Key decision to support budget setting for one year only and is therefore removed for 2022/23
Reversal of Contribution From BSR – COVID 2021/22	644	0	0	0	2021/22 Key decision to support budget setting for one year only and is therefore removed for 2022/23
Reversal of Collection Fund (BR) one off transfer from reserves BRER 2021/22 and impact of surplus	6,586	0		0	
Reduction in the COVID-19 recovery fund	(328)	(325)	(325)	(122)	The tapering out of the £1.100m fund (2022/23 £0.772m, 2023/24 £0.447m, 2024/25 £0.123m 2025/26 £0)
Sub total	7,489	(325)	(325)	(122)	
Reserves					
Transfer of the reported pooling dividend for 2020/21 from BRER to support budget planning	(531)	531	0	0	One off benefit to smooth the budget plan which is then reversed in 2023/24
Contribution to/from Reserves BRR- Growth	938	(2,627)	92	89	Transfer of new in year growth above the baseline giving a total of (£4.133m). Release of budgeted Business rates growth of (£2.809m) in 2023/24 to mitigate the cliff edge in anticipated funding changes
Transfer of £1.500m from BRER to the Transformation and Climate Change Reserve	(1,500)	1,500			Transferred from the growth in Business Rates income reducing the budgeted amount the BRER from £4.133m to £2.633m
Contribution to Transformation Fund Reserve	1,000	(1,000)			An increase to this reserve to support the Transformation programme and Strategy in place across the medium term.
Contribution to Climate Change Reserve	500	(500)			An increase to this reserve to support the Council's climate change ambitions across the medium term
Contribution to/from Reserves BRR- Collection Fund Surplus	1,851	(2,195)	343		The 2021/22 surplus as submitted within the NDR1 return of £1.851m which includes ongoing commitment to cover the collection fund deficit spread from 2020/21
Contribution to/from Service Earmarked Reserves	(106)	106	0	0	(£0.054m) from the Hall of Fame and (£0.052m) from the Revenue Grants earmarked reserve. This is one-off funding which is then reversed in the 2023/24.
Transfer of funds to and from the Budget Stability reserve – Council Tax	18	(5)	14	0	2020/21 one off grant (75% Council Tax compensation scheme) from reserves of (£0.112m), and the net impact of the movement in collection fund surplus of £0.130m transferred to reserves
Sub total	2,170	(4,190)	449	89	
Services and Corporate items					
Removal of Community and Leisure Grants	(63)	63	0	0	Ceasing the scheme for 1 year as per the report presented to Cabinet in December
Housing Acquisition Saving to future years	(157)	0	0	0	Represents the balance of savings scoped within a report to Cabinet in December 2018 mitigating the increased cost seen within temporary accommodation and to delivered over the four year period. (£0.157m) of which (£0.148m) was deferred from 2021/22 due to the COVID-19 Pandemic.
Transformation	(250)	0	0	0	The delivery of the transformation programme
Planning - Pre Planning Agreements	(50)	0	0	0	Initial proposal for the introduction of Pre planning agreements to be developed across the MTFP
Continued budget for Town Centre Improvements in 2022/23	150	(150)	0	0	The continuation of this proposal has been an annual key decision and has been funded from additional business rates generated by Elliott's field.
Total Key Decisions	9,289	(4,602)	124	(33)	

Appendix F Draft General Fund Capital Programme 2022/23 to 2024/25

PAGE 1/2 Portfolio / Scheme Name	Capital							Revenue Implications				
	Gross Expenditure			External Contributions / Earmarked		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
	2022/23	2023/24	2024/25	2022/23	Future Years	2022/23	Future Years	2022/23*	Full Year	2022/23*	Full Year	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Digital & Communications												
ICT Refresh Programme - Desktop <small>Annual refresh of client devices (laptops, etc)</small>	105	135	114	0	0	105	249	0	0	0	0	20
ICT Refresh Programme - Infrastructure <small>Annual upgrade / replacement of physical and virtual servers, firewalls, backup and business continuity systems</small>	95	145	90	0	0	95	235	0	0	0	0	18
ICT Refresh Programme - AV Equipment <small>Integration of MS Teams into council chamber / upgrade of Boardroom</small>	18	18	18	0	0	18	36	0	0	0	0	4
PCI Cyber Security <small>Enhanced PCI security & compliance</small>	65	0	0	0	0	65	0	0	42	0	0	13
Digitalisation and Development Program	45	45	45	0	0	45	90	0	0	0	0	9
	328	343	267	0	0	328	610	0	42	0	0	64
Communities & Homes												
Disabled Facilities Grants <small>Grants to disabled residents for the provision of home adaptations administered by HEART</small>	768	768	768	722	1,444	46	92	0	0	0	0	2
	768	768	768	722	1,444	46	92	0	0	0	0	2
Operations & Traded Services												
Vehicle Replacement	1,980	805	357	0	0	1,980	1,162	0	0	20	50	270
Open Spaces Refurbishments - Street Furniture <small>Annual refresh programme of bins, benches, bus shelters and other items</small>	42	42	42	0	0	42	84	0	0	0	0	2
Great Central Way Bridge Refurbishment <small>Structural repairs to bridges along Great Central Way route</small>	0	175	175	0	0	0	350	0	16	0	0	0
Purchase of Waste Bins <small>Acquisition of domestic bins for new developments financed via S106 and developer contributions</small>	88	88	88	88	176	0	(1)	0	0	0	0	0
	2,110	1,110	662	88	176	2,022	1,595	0	16	20	50	272
Leisure & Wellbeing												
Open Spaces Refurbishments	150	150	150	50	100	100	200	0	0	0	0	6
Open Spaces Refurbishments - Safety Improvements	50	50	50	0	0	50	100	0	0	0	0	3
Parks Connector Network <small>Create and improve path infrastructure through parks and open spaces financed via grants / S106 / climate change funds</small>	100	0	100	0	0	100	100	0	0	0	0	2
	300	200	300	50	100	250	400	0	0	0	0	11

Appendix F Draft General Fund Capital Programme 2022/23 to 2024/25 (contd.)

PAGE 2/2 Portfolio / Scheme Name	Capital							Revenue Implications				
	Gross Expenditure			External Contributions / Earmarked		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
	2022/23	2023/24	2024/25	2022/23	Future Years	2022/23	Future Years	2022/23*	Full Year	2022/23*	Full Year	2023/24
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Regulation & Safety												
Crematorium Memorialisation Project	43	0	0	43	0	0	0	0	0	0	0	0
Memorial Safety	30	30	30	0	0	30	60	0	0	0	0	1
	73	30	30	43	0	30	60	0	0	0	0	1
Finance & Performance												
Corporate Asset Management System	20	0	0	0	0	20	0	0	0	0	0	4
Project Management time for completion of the implementation of the project	20	0	0	0	0	20	0	0	0	0	0	4
Total Draft General Fund Capital Programme	3,599	2,451	2,027	903	1,720	2,696	2,757	0	58	20	50	354
Capital Programme Schemes already approved												
Communities & Homes												
Caldecott Development	4,880	4,880	0	0	0	4,880	4,880	0	0	30	60	0
Loan to joint venture for housing development												
Total Draft General Fund Capital Programme already approved	4,880	4,880	0	0	0	4,880	4,880	0	0	30	60	0
Total Draft General Fund Capital Programme	8,479	7,331	2,027	903	1,720	7,576	7,637	0	58	50	110	354

Appendix G Medium Term Financial Plan 2022 - 2026

MTFP 2022/23 - 2025/26	2022/23	2023/24	2024/25	2025/26
	£000s	£000s	£000s	£000s
BASE EXPENDITURE BUDGET bf	10,998	20,880	13,977	14,807
Corporate Adjustments	67	(5)	0	10
BASE BUDGET	11,066	20,875	13,977	14,817
Growth Items				
Salary Adjustments	652	444	452	462
Inflation	102	104	104	104
Other Service Pressures	421	150	0	0
Total Growth	1,175	698	556	566
Key Decisions	9,289	(4,602)	124	(33)
Savings				
Efficiency, Transformation & Service Redesign	(293)	(90)	0	0
Income Generation	(124)	(66)	(75)	(210)
Budget Variance (-) Deficit	0	(3,200)	0	(64)
Total Savings	(419)	(3,356)	(75)	(274)
Corporate Items				
Changes to Net Cost of Borrowing	(389)	98	116	0
Changes to Minimum Revenue Provision (MRP)	115	244	89	105
Investment Income	0	0	0	0
Change in Parish Precept	44	20	20	20
Total Changes in Corporate items	(230)	362	225	125
Total Net Expenditure	20,880	13,977	14,807	15,201
Financed By				
BASE INCOME BUDGET				
Grants				
Other Government Grants	(556)	(343)	(318)	(205)
New Homes Bonus	(1,934)	(145)	(145)	(145)
Business Rates				
Settlement Funding Assessment (SFA)	(2,414)	(2,463)	(2,511)	(2,560)
Growth included in Baseline Budget	(504)	(456)	(407)	(360)
Damping	0	0	0	0
Pooling Dividend	(360)	0	0	0
Business rates growth above the sustainable baseline	(4,133)	(1,506)	(1,598)	(1,687)
Collection Fund Surplus(-)/Deficit	0	0	0	0
Contribution from Business Rates Equalisation Reserve	(1,851)	343	0	0
Council Tax				
Tax Base & 2% price increase	(8,937)	(9,295)	(9,662)	(10,040)
£5 increase in the Band D each year	(86)	(127)	(166)	(204)
Collection Fund Surplus (-)/Deficit	(103)	14	0	0
TOTAL	(20,880)	(13,977)	(14,807)	(15,201)

Appendix H Medium Term Financial Strategy 2018 - 2023

This is an embedded document, double click on the page to be directed to the strategy



Medium Term Financial Strategy 2018-2023



Appendix I General Fund Reserves and Balances over the Medium Term Financial Plan 2022/26

	Balance at 31st March 2022	Forecast Net Transfers in Year	Balance at 31st March 2023	Forecast Net Transfers in Year	Balance at 31st March 2024	Forecast Net Transfers in Year	Balance at 31st March 2025	Forecast Net Transfers in Year	Balance at 31st March 2026
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
General Fund Revenue Account	(2,250)	0	(2,250)	0	(2,250)	0	(2,250)	0	(2,250)
Corporate Reserves									
Business Rates Equalisation Reserve	(9,625)	(5,220)	(14,845)	(1,163)	(16,008)	(1,598)	(17,606)	(1,687)	(19,293)
Budget Stability Reserve	(2,844)	9	(2,835)	14	(2,821)	0	(2,821)	0	(2,821)
GF Revenue Carry Forward Reserve	0		0	0	0	0	0	0	0
Subtotal Corporate Reserves	(12,469)	(5,211)	(17,680)	(1,149)	(18,829)	(1,598)	(20,427)	(1,687)	(22,114)
Other Earmarked Reserves									
Non-Conditional Revenue Grants	(119)	92	(27)	40	13	39	52	0	52
Revenue Section Agreements	(1,555)	103	(1,452)	108	(1,344)	106	(1,238)	0	(1,238)
Warwickshire Consortium Reserve	(2)	0	(2)	0	(2)	0	(2)	0	(2)
STW Pensions Reserve	(86)	0	(86)	0	(86)	0	(86)	0	(86)
Subtotal - Organisation Wide Reserves	(1,762)	195	(1,567)	148	(1,419)	145	(1,274)	0	(1,274)
Transformation Fund	(400)	(850)	(1,250)	125	(1,125)	125	(1,000)	0	(1,000)
Emergency Climate Reserve	(500)	(300)	(800)	150	(650)	150	(500)	0	(500)
Subtotal - Executive Directors	(900)	(1,150)	(2,050)	275	(1,775)	275	(1,500)	0	(1,500)
HoF Licence Reserve	(54)	54	0	0	0	0	0	0	0
Acquisition Reserve (AG/M)	(10)	(6)	(16)	(6)	(22)	(6)	(28)	(6)	(34)
Family Weight Project Reserve	(34)	0	(34)	0	(34)	0	(34)	0	(34)
Subtotal - Leisure and Wellbeing	(98)	48	(50)	(6)	(56)	(6)	(63)	(6)	(68)
Town Centre Improvement Reserve	(163)	40	(123)	0	(123)	0	(123)	0	(123)
Subtotal - Growth and Investment	(163)	40	(123)	0	(123)	0	(123)	0	(123)
CIPFA Training Reserve	(23)	3	(20)	0	(20)	0	(20)	0	(20)
Corporate Assurance Training Reserve	(4)	2	(2)	1	(1)	1	0	0	0
Insurance / RM Reserve	(10)	0	(10)	0	(10)	0	(10)	0	(10)
Subtotal - Finance, Performance, Legal and Governance	(37)	5	(32)	1	(31)	1	(30)	0	(30)

Appendix I General Fund (GF) Reserves and Balances over the Medium Term Financial Plan 2022/26 (contd.)

	Balance at 31st March 2022	Forecast Net Transfers in Year	Balance at 31st March 2023	Forecast Net Transfers in Year	Balance at 31st March 2024	Forecast Net Transfers in Year	Balance at 31st March 2025	Forecast Net Transfers in Year	Balance at 31st March 2026
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Digitalisation & Trading Reserve	(10)	7	(3)	0	(3)	0	(3)	0	(3)
Corporate Apprentice Scheme Reserve	(0)	54	54	0	54	0	54	0	54
Energy Efficiency Investment Fund	(96)	0	(96)	0	(96)	0	(96)	0	(96)
Woodside Park R & M Reserve	(43)	3	(40)	2	(38)	0	(38)	0	(38)
Welfare Support Reserve	(422)	107	(315)	107	(208)	107	(101)	101	0
Welfare Support IT Reserve	(100)	0	(100)	0	(100)	0	(100)	0	(100)
Subtotal - Communities and Homes, Digitalisation and Communications	(671)	171	(500)	109	(391)	107	(284)	101	(183)
Hackney Carriages Reserve	(45)	0	(45)	0	(45)	0	(44)	0	(44)
Crematorium Replacement Reserve	(86)	(25)	(111)	(25)	(136)	(25)	(161)	(25)	(186)
Crematorium Cameo Reserve	(32)	(3)	(35)	(3)	(38)	(2)	(40)	(2)	(42)
Environmental Crimes Reserve	(20)	0	(20)	0	(20)	0	(20)	0	(20)
Licensing Reserve	(25)	0	(25)	0	(25)	0	(25)	0	(25)
Graves In Perpetuity	(11)	0	(11)	0	(11)	0	(11)	0	(11)
HMO License Reserve	(18)	17	(1)	(11)	(12)	0	(12)	0	(12)
Subtotal - Regulation and Safety	(237)	(11)	(248)	(39)	(287)	(27)	(313)	(27)	(340)
Land Drainage Reserve	(18)	2	(16)	2	(14)	2	(12)	2	(10)
Waste Reserve	(48)	15	(33)	0	(33)	0	(33)	0	(33)
Subtotal - Operation and Traded	(66)	17	(49)	2	(47)	2	(45)	2	(43)
Total Service Earmarked Reserves	(3,934)	(685)	(4,619)	490	(4,127)	497	(3,632)	70	(3,561)
TOTAL General Fund Reserves	(18,652)	(5,896)	(24,548)	(659)	(25,207)	(1,101)	(26,309)	(1,617)	(27,925)

Appendix J – Parish Precepts 2022/23

PARISH COUNCIL	2022/23 PRECEPT £	2022/23 TAXBASE	2022/23 BAND D £
Ansty	7,863.00	128.67	61.11
Binley Woods	48,000.00	1,000.70	47.97
Birdingbury	7,250.00	169.09	42.88
Bourton & Draycote	6,000.00	144.85	41.42
Brandon & Bretford	20,174.00	297.18	67.88
Brinklow	34,670.00	467.60	74.14
Burton Hastings	2,208.00	100.31	22.01
Cawston	84,781.00	1,984.11	42.73
Church Lawford	6,613.00	159.26	41.52
Churchover	19,500.00	784.81	24.85
Clifton-upon-Dunsmore	51,500.00	1,390.40	37.04
Combe Fields	292.00	68.77	4.25
Copston Magna	-	21.36	-
Cosford	-	8.56	-
Dunchurch	104,092.00	1,764.53	58.99
Easehall	3,750.00	108.38	34.60
Frankton	10,000.00	174.82	57.20
Grandborough	6,300.00	217.67	28.94
Harborough Magna	11,511.22	185.60	62.02
Kings Newnham	-	29.31	-
Leamington Hastings	3,400.00	239.72	14.18
Long Lawford	101,000.00	1,397.80	72.26
Marton	11,508.03	215.05	53.51
Monks Kirby	10,224.00	225.14	45.41
Newton & Biggin	21,105.57	510.64	41.33
Pailton	15,740.00	223.36	70.47
Princethorpe	15,220.00	173.66	87.64
Ryton-on-Dunsmore	68,223.00	697.99	97.74
Shilton & Barnacle	21,988.00	346.71	63.42
Stretton-under-Fosse	7,939.00	96.64	82.15
Thurlaston	20,000.00	208.24	96.04
Wibtoft	-	25.66	-
Willey	500.00	38.51	12.98
Willoughby	15,000.00	191.45	78.35
Withybrook	4,000.00	121.81	32.84
Wolfhampcote	6,000.00	156.05	38.45
Wolston	98,130.00	995.22	98.60
Wolvey	39,863.00	516.64	77.16
	940,036.82	16,113.90	



Appendix K

Capital Strategy 2022/23

Capital Strategy

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1. Introduction

5.1 1.1 Aim

The overall aim of the Capital Strategy is to support delivery of the Corporate Strategy priorities and ensure support for the delivery of the Council's core functions.

The Capital Strategy for Rugby Borough Council provides a high-level overview of how capital expenditure, financing and treasury management activity supports the Council's Corporate Strategy for 2021-2024. It sets out the principles to determine priorities for our capital investments, risks, monitoring and financing.

5.2 1.2 Overview

The Capital Strategy applies to a detailed four year medium term financial plan (MTFP) to align with the revenue MTFP and a ten year longer term outline financial plan. The strategy is also applied to longer term capital horizon planning up to thirty years. This strategy will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.

This strategy document is not intended to repeat information held in other strategy and policy documents. References are made throughout this document and a list of the reference documents is included in Appendix B.

Reference is made throughout the document to a Capital Programme Board. This will be a new Leadership Team Board with delegated authority to carry out the activities described in this Capital Strategy.

Capital expenditure is under significant financial pressure. This Capital Strategy will play a key role in ensuring that we build for the future, recover from the impacts of Covid-19 and ensure long term resilient economic growth.

Information about the Rugby area is included in the Rugby Local Plan (adopted in 2019). To provide some context to this Capital Strategy, the area of Rugby covers:

- An area of 138 square miles within Warwickshire
- 41 parishes with over 106,000 residents
- Over 56,000 economically active residents
- Growth in the numbers of people over the age of 65
- A deprivation index value of 240 (in the Indices of Multiple Deprivation 2015, Rugby is ranked 240 out of 326 Local Authorities, no.1 being most deprived, 326 the least.
- a total of 57 designated Local Sites of which 3 are Local Geological Sites and 54 Local Wildlife Sites (as at 2016)
- 19 Conservation Areas, 6 Grade 1 Listed Buildings, 30 Grade II* Listed Buildings and 460 Grade II Listed Buildings. Spread throughout the Borough are 26 Scheduled Monuments and 5 Registered Gardens (as at 2018)

Rugby Borough Council also manages a housing stock in the region of 3,450 dwellings (2021/22).

2. Strategic Approach

5.3 2.1 Regulatory Background

1.2.9 Capital Strategy Development

Rugby Borough Council's Capital Strategy will continue to be developed in line with the Capital Strategy Guidance produced by CIPFA in 2021. The Capital Strategy will be reviewed annually to ensure it is kept up to date and references to other strategies and policies are accurately reflected.

1.2.10 Capital Finance

Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities (2017). The Code requires that all Council's should have a capital investment strategy which aligns capital delivery plans to their organizational objectives, as well as demonstrating sound financial management and prudent borrowing.

1.2.11 Transparency

Rugby Borough Council operates within the Local Government Transparency Code (2015) which requires local authorities in England to publish information related to specific themes. These include expenditure over £500, procurement information, local land assets and social housing asset value, all of which are relevant to capital expenditure and investments.

5.4 2.2 Corporate Strategy

This Capital Strategy is developed in line with the 2021-2024 Corporate Strategy and the Medium Term Financial Strategy. It is also closely linked to the Treasury Management Strategy to ensure capital expenditure is affordable and appropriately funded.

Consideration has been given to the Asset Management Strategy 2018-2023 which outlines best practice for the deployment and utilisation of land, buildings and other assets to support delivery of front line services.

The medium-term capital strategy and long term horizon planning will also consider the Local Development Plan (2019) for Rugby which outlines the type of place we aspire to be in the future and provides a framework that will manage change and growth until 2031.

5.5 2.3 Capital Strategy Main Principles

The capital programme will be developed and maintained along the following principles:

1.2.12 Reporting

- Annual reporting of the four year medium term financial plan and the ten year long term plan for the capital programme. This annual report will not introduce new capital expenditure but will forecast the expenditure for existing approved schemes and projects along with the planned financing of that expenditure.

- There will be an annual presentation to the Capital Programme Board of the anticipated thirty year horizon planning for capital expenditure, how it fits with corporate strategy and an outline of the potential financing options. This is not a fixed plan and is expected to change over time to reflect the completion of current projects and changes in the corporate approach and financing.
- Annual reporting of capital outturn, slippage, savings and pressures, and the impact on the current and future programme.
- Quarterly reporting for quarters 1, 2 and 3 on performance against budget, forecast, variances and impact on future year budgets.
- Monthly exception reporting between the quarters will also take place on an informal basis to the Leadership Team.

1.2.13 Approval

- All new proposals for capital expenditure will undergo a rigorous capital appraisal and must be presented as a business case with proposed financing. All new proposals will require Cabinet approval. Where the expenditure is a new project, appraisals must follow the relevant Project Management arrangements.
- All proposals for additional spend on existing programmes will require Cabinet approval and must include a summary business case and proposed financing.
- The capital programme will be flexible to allow the movement of expenditure and financing across years without needing recourse to further member approval. Movement across years will be subject to any financing restrictions imposed on the Council e.g. capital grant funding restricted to a single financial year. Movement across years will also be subject to approval from the Chief Officer-Finance and Performance. This will ensure adequate cash availability in terms of the timing of expenditure and allow investments to be maximized and/or other schemes to be accelerated or slipped.
- At each financial year end, financing of the capital expenditure will be reviewed to ensure optimum use of the overall resources available to the Council. Any changes will be determined by the Chief Officer-Finance and Performance. Additional member approval is not specifically required. Details will be reported to Cabinet in the Council's financial outturn report.
- Continuation Programmes that are not project based e.g. annual budgets for IT development or vehicle purchase, will be reviewed every two years. The current list of continuation programmes is included in Appendix A. See also the Continuation Programmes section of this strategy for further details. In summary, these reviews will need to consider:
 - a. past spending patterns and the effectiveness on services
 - b. how the expenditure supports the relevant corporate plans
 - c. whether changes could be implemented to reduce costs, increase effectiveness or better meet the Council's strategy

1.2.14 Budget Management

- All capital expenditure and projects must have a designated budget manager who is responsible and accountable for the approved budget and delivery of the programme.
- Where projects/capital expenditure has been identified but financing is not available, an outline business case will need to be developed. This will then be held on an 'unapproved capital proposals' register and allocated a priority rating in accordance with pre-determined criteria. This register will be managed by the Capital Programme Board. As financing is identified, schemes will be selected on a priority basis to proceed to full business case for approval.
- Prioritisation and acceleration of schemes on the 'unapproved capital proposals' register will be the responsibility of the Capital Programme Board.

5.6 2.4 Capital Programme

Rugby Borough Council will have a single Capital Programme covering both General Fund and HRA Projects. This will provide an overview of the capital expenditure and investment for Rugby.

Within the overall programme, the General Fund and HRA elements will have specifically identified financing to enable those elements to be reported on separately. The Capital Programme will be included in the annual budget setting and rent setting reports for information. Annual approval will not be required for the Capital Programme as any additions and adjustments will be managed and approved as outlined elsewhere within this strategy. New proposals and additional expenditure will require separate Cabinet approval.

The Capital Programme is a dynamic document and is not included as part of this strategy. A snapshot of the Capital Programme and financing will be reported each quarter and included in the quarterly financial monitoring reports.

5.7 2.5 Long-term Investment Needs

Rugby Borough Council will continue to develop the long-term investment needs for the area and this will inform the thirty year horizon planning. This long term view is informed by:

- Consultation and engagement with businesses and residents, such as the emerging Rugby Town Centre Regeneration Plan.
- The Council's Local Development Plan 2011-2031 which includes Rugby's spatial vision for a prosperous town with a strong economy, including the development of sustainable housing, employment, leisure facilities and public transport. The Plan also includes a commitment to protect natural species present in the Borough by improving habitats and to meet the challenges of climate change.
- The Asset Management Strategy 2018-2023 is intended to help optimise the deployment and utilisation of land, buildings and other assets to support delivery of front line services including operational buildings such as the Town

Hall and the provision of social housing to meet the objectives set out in the Council's Housing Strategy.

5.8 2.6 Management of Risks

The resilience of the capital programme depends on the longer term planning and a joined up corporate strategy across the different strategies and plans. It also depends on strong financial planning, project appraisals, funding sources and other available resources.

Risks beyond the control of the Council (such as criminal acts, environmental risks, political risks and health crises) will be considered for each project during the planning phase. If external events raise risks for the Council this will be managed through the usual risk management processes.

The Council is exposed to a range of risks that may impact on the capital programme and these include:

- Financial risks related to the investment of the Council's assets
- Macroeconomic risks related to the growth or decline of the economy. Local as well as national or global. Interest rates, inflation, Covid, continuing impact of Brexit, etc.
- Credit risks related to investments and loans to other institutions
- Reputational risks related to the Council's actions
- Environmental and social risks
- Governance risks related to ensuring that the Council has the correct level of oversight and scrutiny
- Changes in Government policy

The Council's Risk Management Strategy sets out the governance framework for managing risk. framework. The Strategic and Operational Risk Registers consider the risks around capital investment, including the areas outlined above. Detailed risks for each project will be considered on a case by case basis, and documented and managed through the use of project risk registers. The strategic risk register informs the medium term and horizon planning for capital.

6 3. Operational Approach

6.1 3.1 Skills and Knowledge

Management of an effective capital programme requires managers with the appropriate level of skills and expertise. To ensure this is in place, the Financial Services Team will:

- Employ suitably qualified and knowledgeable team members to co-ordinate the overall capital programme and financing, support the monitoring of progress across the schemes, highlight variances and prepare the relevant consolidated reports.
- Provide financial support to budget managers in preparing project appraisals and business cases for new projects.
- Provide an annual training event for budget managers to ensure they are aware of their responsibilities and have the skills to carry them out.
- Ensure one-off training is provided to any new budget managers. This may be carried out by the Financial Services Team or existing budget managers who will be able to also impart their experiences.

6.2 3.2 Planning and Monitoring

The Financial Services Team is responsible for co-ordinating, managing and maintaining the overall capital programme and financing. Individual capital schemes and purchases are the responsibility of the designated budget manager. The planning process is as follows:

1. Initially, each month, all capital budget managers will receive an expenditure report for their existing approved scheme(s) showing the agreed annual profile of spend, expenditure against budget for the year and, for projects, expenditure to date since the start of the project.
2. Once training has been provided to budget managers, they will be expected to run their own reports from the finance system and monitor their expenditure monthly. Budget managers will be provided with guidance on their responsibilities. Support will be provided by the relevant Finance Business Partner.
3. Budget managers are expected to review their monthly report in conjunction with their Finance Business Partner and where appropriate, provide a revised forecast and/or profile of expenditure for the year and/or the remaining life of the project.
4. It is important that slippage or acceleration of a project is clearly distinguished from savings or pressures. Slippage or acceleration does not require member approval but needs to be highlighted as early as possible with the relevant Finance Business Partner for cash management purposes.
5. The default funding for additional pressures will be the relevant revenue budget and will require member approval. Budget managers will need to identify equivalent savings elsewhere or alternative funding.

6. The revised forecast will feed back into the next iteration of the report and expenditure will be monitored regularly. As long as the expenditure remains within the approved envelope of spend for that scheme or project, and any financing criteria continues to be met, no further action will be required.
7. Budget managers are responsible for providing all forecast information to their Finance Business Partners in accordance with the quarterly reporting timetable to ensure it can be included in the quarterly dashboards that are provided to budget managers, Chief Officers and Cabinet.
8. Where budget managers are forecasting project savings or pressures, this will be included in the quarterly financial report to Cabinet along with an up to date snapshot of the capital programme. Budget managers are responsible for providing explanations for the overall variances and the impact on services. Where additional spending is forecast on existing projects, refer to the section above Capital Strategy Main Principles (Approvals). The Financial Services Team is responsible for ensuring that the overall Council financing requirements are appropriately adjusted.
9. Each quarter, the Financial Services Team will prepare a snapshot of the full capital programme and financing schedule for the four year medium term financial plan. Annually, this will also include a ten year longer term outline plan and financing in addition to information on the direction of travel for the 30 year horizon plan. This will ensure the availability of up to date information for decision making purposes.
10. Where additional financing is available, the quarterly Cabinet report will include options to accelerate potential projects from the reserve list in priority order. A priority rating will be provided following consideration of the outline business case and this will be managed by the Capital Programme Board.
11. Where unexpected variances mean that more resource than expected will need to be used, the quarterly report will include options to defer projects and schemes where possible.

6.3 3.3 Project Appraisal

1.2.15 Current Process

The current process for including projects in the Capital Programme is included in the Treasury Management Strategy. In summary, bids are compiled using HM Treasury's Better Business Cases model and should include:

- A strategic case
- An economic and financial case
- A management case
- A commercial case
- Impact on climate change

Bids are then collated by the Financial Services team, appraised by the Leadership Team who then make recommendations to the informal Cabinet. The final capital programme is presented to Council in February each year.

1.2.16 Developments

Work is underway to develop and implement a new, formal, project management process. This will be managed by a Programme Board comprising Leadership Team, Property Manager and others as required. Once this is fully developed, the Capital Strategy will be updated to reflect the new requirements for major projects and also the requirements for all other proposed capital spend.

6.4 3.4 Investments – Capital Loans

The Council can lend money in limited circumstances to support local public services and stimulate local economic growth. This is expected to be relatively infrequent and all such proposals will be assessed in terms of risk. The Council will use external advisors if felt appropriate by the Chief Officer- Finance and Performance. All loans will be subject to a contract agreed by Chief Officer-Legal and Governance and must be approved by full Council.

To limit risk the current limit on the outstanding exposure is set at £20m. A loss allowance will be provided for in accordance with accounting policy.

All capital loans will be included in the Council's Capital Programme and financing must be identified as with other capital projects and procurement. All repayments of capital loans will be treated as capital receipts. Where financing of the capital loan was from borrowing, those capital receipts will be prioritised for the repayment of the Council's debt.

Further details for loans and other investments, including property investments, are included in the Treasury Management Strategy.

6.5 3.5 Continuation Programmes

This is where the Council has an annual programme of capital expenditure that is not a specific project or scheme. The current approved continuation programmes are included in Appendix A with the current annual budget levels. Whilst there are current budget differences across years, it is anticipated that this stabilizes to a consistent annual value.

This list is subject to review every two years, as mentioned in the principles section above. This review should be completed at Quarter 2 so any changes are implemented prior to the budget setting process. The review will be presented as a report to the Capital Programme Board with changes highlighted for approval. For each of the continuation programmes, the review will include:

1. A brief outline of what the programme is for and how it supports corporate plans
2. The relevant Portfolio, Chief Officer and budget manager
3. The annual budget and any external financing that offsets the cost to Rugby BC
4. How it will be financed and whether it is General Fund or HRA
5. Last three year's expenditure and what the impact on services was
6. Alternative options, the potential to reduce costs, increase effectiveness or better meet the Council's strategy

The review will be co-ordinated by the Financial Services Team and the programme information will be provided by the budget managers. The review would recommend any proposed changes to the annual budget value which would come into effect from the following financial year. The approved, revised values will then be included in the capital programme presented in the budget and rent setting reports.

The budget values may be slipped to future years or accelerated, subject to the Council's cash requirements. This does not require member approval but will be reported to Cabinet through the quarterly Finance and Performance report. The overall total may not be increased without specific Cabinet approval. Budget may be moved from one continuation programme to another continuation programme, subject to financing restrictions (e.g.HRA), with the agreement of the relevant budget managers and Chief Officers followed by the Capital Programme Board. Cabinet approval will also be sought, where required, in line with the Council's constitution.

6.6 3.6 Procurement

Any procurement exercise should start with the early engagement of the Procurement Team to ensure compliance with current legislation and Contract Standing Orders. Procurement can advise on the most suitable route to market to attaining value for money and compliance.

Link to Sharepoint guidance documents

<https://rugby.sharepoint.com/sites/RBC/SitePages/Procurement%20Policy.aspx>

6.7 3.7 Financing

In any report or review of the capital programme or schemes, it must be clear how that expenditure will be financed and what revenue implications there will be. Financing will be included at the point the proposal is approved, following the relevant project appraisal process. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing or leasing).

1.2.17 Treasury Management Strategy

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

- **Capital Financing Requirement (CFR)** – This is the total capital expenditure which is not paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and is the underlying borrowing need. Any capital expenditure which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- **Minimum Revenue Provision (MRP)** – This is the statutory annual revenue charge which charges the economic consumption of capital assets to revenue as they are used. It broadly reduces the indebtedness in line with each asset's life.

- **Voluntary Revenue Provision (VRP)** – This is similar to MRP but is voluntary. Currently Rugby BC do not make any VRP but this will be kept under review.
- **Depreciation** – There is no requirement for the HRA to make MRP but there is a requirement for depreciation to be charged. This is done in line with accounting policy.
- **Financing of capital expenditure** – Financing of capital expenditure can come from revenue, reserves, external grant funding, capital receipts or borrowing. All borrowing will be managed in accordance with the Treasury Management Strategy. Most borrowing is arranged to support overall cash requirements rather than specific capital projects although there may be exceptions.

1.2.18 Financing Considerations

- External financing such as grant funding is likely to have specific requirements and obligations that the Council must meet. Before accepting such funding, the Council must be confident of meeting those obligations. If those obligations include the provision of matched funding, the financing of the matched funding must be identified prior to the bid for grant funding being submitted. Such requirements and obligations will form part of the ongoing project monitoring by the budget manager.
- The Council's current de-minimis level for capital expenditure is £10,000. Even if the expenditure meets all of the other definitions for capital expenditure, it will be charged to revenue if it is under that value.
- Joint ventures and partnership arrangements must be thoroughly appraised prior to being entered into and, if required by the Chief Officer–Finance and Performance, external advice must be sought. This must be part of the overall project appraisal and in accordance with guidance from the Capital Programme Board.
- Leasing guidance is provided by the Treasury function in the Financial Services Team. All proposals that include any lease agreements must be agreed with the Financial Services Team to ensure the financial implications are thoroughly assessed and accounting implications determined in accordance with IFRS16.
- As a general default, all unringfenced funding will be pooled to support the overall capital programme. There will be specific exceptions from this such as HRA financing, restricted grant funding and other specific obligations that need to be managed. Use of capital receipts to fund capital expenditure will be determined based on Treasury management advice and is also subject to the relevant regulations regarding the application of capital receipts (e.g. limits on the use of RTB receipts for new builds).
- Section 106 monies come from developer contributions through the planning system. Most have restrictions on use defined in the agreements. Where this is not the case, the monies should be used to support existing Council

priorities and commitments and be allocated in line with Council's capital scheme priorities.

- Revenue contributions can either be made during the year, e.g. a capital purchase funded from a revenue budget, or revenue contributions made be added to a reserve each year for later use.

1.2.19 Financing of unplanned capital spend

There may be occasions where unplanned capital expenditure occurs (e.g. emergencies, necessary purchases with prices increases that tip over the £10k revenue de minimis, etc.). Each case must be brought to the attention of the Chief Officer–Finance and Performance as soon as possible and approved through an emergency decision.

6.8 3.8 Revenue Charges

1.2.20 Revenue Implications

During the project appraisal process, any revenue implications will need to be identified so they can be included in the revenue medium term financial plans (i.e. General Fund or Housing Revenue Account). These are likely to include the following:

- Ongoing revenue implications of maintaining the asset. For example, the ongoing maintenance of a new apartment block.
- Impact on other future service budgets. For example, a new apartment block may increase cost of grounds maintenance, housing benefit subsidy, etc.
- The minimum revenue provision (MRP). An estimate of the MRP should be made during the appraisal process.
- Where depreciation is charged, that should be calculated during the appraisal process
- The impact on the net cost of borrowing (NCoB) and the debt cap
- Revenue budget availability and coverage
- Cash flow implications
- Implications of accounting rules (e.g. for projects that include leasing)
- Tax implications
- External revenue funding – timing, value and any obligations

1.2.21 MRP

Briefly, this is an amount charged to revenue to pay off the capital spend funded from borrowing. It is calculated according to the capital financing requirement (CFR) so only relates to borrowing and debt. If capital expenditure is funded from revenue or grant funding, this does not increase the MRP. This applies only to the general fund capital expenditure and is in place of a depreciation charge. See the Treasury Management Strategy for further details.

1.2.22 NCoB

The net cost of borrowing is calculated by the Financial Services Team. In summary, it represents investment income and interest received less interest on borrowing and some reserves. It is not a revenue implication in itself but capital

expenditure funded from borrowing will impact on this calculation and the overall financial cost to the Council.

7 4. Project Completion

7.1 4.1 Project Completion

Practical completion of a project occurs when (for example) the build is complete and the asset is in use. At that point, a completion report should be compiled by the Project Manager to include:

- Has the project met the desired objective(s)?
- Will the outcomes be different to those originally planned?
- Financial report of actuals compared to budget and variances, with changes explained.
- What could have been done better?
- What worked really well?
- What points can usefully help other projects?
- What is the outstanding retention, timescale and conditions?

As mentioned in the Project Appraisal section above, developments are underway to improve project management processes and that may impact on the requirements outlined here.

7.2 4.2 Financial Completion

This is when the last payment/financial transaction occurs on the capital project and is often the payment of the last retention. Once in operation, there may be ongoing revenue costs but these will form part of the annual revenue budget.

On financial completion, the total project spend should be recorded and the project closed on the capital programme. This will be noted in the next quarterly report.

7.3 4.3 Learning Points

Learning points from capital schemes may be varied but they should be noted along with actions and a responsible person. They may include actions such as:

- Changes to the risk register
- Changes to processes
- Changes to the responsible person
- Changes in reporting
- Changes in the timing of decision making
- Seeking new funding opportunities and/or partnership arrangements
- Etc.

The Learning Points Register should be maintained and monitored quarterly by the Financial Services Team. Once the action has been taken, the outcome should be noted. It does not require reporting to members as it is an internal management process.

5. Sales and Disposals

An asset will be identified as surplus to requirements and suitable for disposal if, in its current condition, it does not meet any of the corporate objectives outlined in the policy and strategy documents listed in Appendix B. Information will need to be provided as to why the asset cannot be brought to a condition where it could otherwise meet Council objectives.

Assets to be considered for disposal will be identified through periodic review of the Asset Register.

Authorisation of disposals will be done in accordance with the constitution.

7.4 5.1 Land and Property

The Council has a general power of disposal of land, contained in Section 123 of the Local Government Act 1972. Local authorities are not permitted to dispose of land for a consideration which is less than the best which is reasonably obtainable, unless they first obtain consent from the Secretary of State.

It will need to be established whether there are any legal constraints, such as restrictions on land that would prevent disposal. All negotiations for disposals should be advised by a suitably qualified property professional, preferably a member of the Royal Institution of Chartered Surveyors. This will include the production of Market Appraisals to demonstrate best consideration where appropriate.

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal; for example, by obtaining planning permission if this would result in a reasonable uplift in capital receipt after costs are taken into account.

A business case will be drafted and follow the appropriate governance arrangements. A communication plan will also be considered to ensure residents and other stakeholders are aware of the Councils plans for site disposal when appropriate. The Local Government Act 1972 and Town and Country Planning Act 1990 require a public consultation by placing advertising its intentions to dispose of public open space. Any objections will need to be considered prior to any final decisions on disposal.

Land asset disposal, if being considered, must be undertaken in accordance with Government guidance published by the Department for Levelling Up, Housing and Communities. Guidance published in 2016 by the Department for Communities and Local Government can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/508307/160316_Land_disposal_guidance.pdf

The Council will dispose of land and property assets by:

- Tender (Formal / Informal): by advertising and inviting sealed bids
- Private Treaty: In the case of limited interest, a marketing exercise would still need to be completed.
- Public Auction: If appropriate a reserve price will be set.

7.5 5.2 Other Assets

Disposal of assets other than land and property is expected to be minimal. This would include, for example, vehicles, plant and operational equipment. Any assets identified for disposal will require a business case to be drafted and follow the appropriate governance arrangements.

Staff must take into consideration all legislative requirements before undertaking any disposal. These include, but are not limited to:

- The WEEE (Waste Electrical & Electronic Equipment) Regulations
- Health and Safety considerations:
 - Equipment which may be contaminated with hazardous substances must be cleaned appropriately before being disposed of and a signed decontamination statement provided contact the Health & Safety Office.
- Any internal policy guidance on the disposal of IT equipment

The Council will dispose of other assets by:

- Tender (Formal / Informal): by advertising and inviting sealed bids
- Private Sale: In the case of limited interest, a marketing exercise would still need to be completed.
- Public Auction: If appropriate a reserve price will be set.

Where public disposal options are unsuccessful, consideration may be given to employee offers. This would need to be subject to any health and safety issues.

Gifting to charity may be considered if other options have been exhausted. This will be subject to health and safety considerations and assessment of any financial or legal risks and implications.

Scrapped, obsolete and damaged assets may be disposed of as waste. Evidence of their state must be retained for audit purposes and the Financial Services Team must be informed so the asset is removed from the asset register and the relevant accounting entries completed.

Damaged, destroyed, lost or stolen assets must be communicated to the Financial Services Team for insurance and accounting purposes. In appropriate circumstances a police report must be made. These assets will need to be removed from the asset register and the relevant accounting entries completed.

6. Action Plan

The following developments will aid the smooth internal management of the capital programme and are expected to be completed during 2022/23:

1. The provision of an appropriate training plan for finance and non-finance staff
2. A clear, written guide for budget managers on what their responsibilities are and what they are accountable for
3. A schedule of what gets reported, where it gets reported and a clear schedule of both internal management reporting and reporting to members
4. Updated sections on project appraisal and completion to ensure this document complements the new project management processes.

This action plan will be undertaken by the Financial Services team.

8 Appendix A: Continuation Programmes

This is a list of the capital continuation programmes and the value of the annual budget. Some of the annual values have been approved at different amounts. From 2024/25 this annual value will be stabilized.

Virement between programmes and slippage may occur in accordance with the approval processes described in the capital strategy. The overall total spend cannot be increased without further Cabinet approval.

Programme	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
General Fund				
ICT Refresh Programme – Desktop	105	135	114	114
ICT Refresh Programme – Infrastructure	95	145	90	90
ICT Refresh Programme – AV Equipment	18	18	18	18
Digitalisation and Development Programme	45	45	45	45
Disabled Facilities Grants*	768	768	768	768
Vehicle Replacement	1,980	805	357	357
Waste Bins	88	88	88	88
Open Spaces Refurbishment – Street Furniture	42	42	42	42
Open Spaces Refurbishment – Leisure Facilities	150	150	150	150
Open Spaces Refurbishment – Safety Improvements	50	50	50	50
Memorial Safety	30	30	30	30
Housing Revenue Account				
Improvements and Capitalised Repairs**	2,660	2,145	2,290	2,812
Housing Management System	60	60	60	60
Disabled Adaptations	216	206	206	206
Purchase of Council Homes	1,685	1,685	1,685	1,685

* Dependent on external funding

** As included in the HRA capital programme. The ongoing annual value to be reviewed.

For further details, portfolio and funding information, please refer to the capital programme.

9 Appendix B: Reference Documents

This is a list of other documents to be read in conjunction with the Capital Strategy

Asset Management Strategy 2018-2023	To optimise the deployment and utilisation of land, buildings and other assets to support delivery of front line services and the provision of social housing.
Corporate Strategy for 2021-2024	The Council's overriding strategy
Housing Asset Acquisition and Disposal Policy	Policy for delivering, increasing, managing and maintaining the supply of quality affordable housing.
Housing Strategy – currently under review	Strategy for the provision of social housing for the borough.
Local Plan 2011-2031 (adopted in 2019)	The Council's policies and proposals to support the development of the Borough through to 2031
Medium Term Financial Plan (MTFP)	The financial plan for the Council for revenue and capital spending
Procurement Toolkit	Guidance on the appropriate procurement routes for expenditure
Risk Management Strategy	The Council's Risk Management Strategy sets out the governance framework for managing risk
Treasury Management Strategy	Capital financing and general treasury management



Appendix L

Treasury Management Strategy incorporating Investment Strategy – 2022/23

Treasury Management Strategy

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Section A – Capital Expenditure and Financing

Introduction

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

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

- the strategic case: Outlining the fit with relevant national and local policies and strategies; the strategic case should clearly state the objectives which are to be delivered in **SMART** terms – if the objective cannot be measured in this way how will it be monitored? If it cannot be monitored the proposal cannot be judged as good value for money.
- the economic and financial case: Demonstrating CHOICE – a wide range of options (including do nothing as the benchmark) has been appraised, and that the preferred option offers optimum VFM in relation to costs, benefits, dis-benefits and risks. Demonstrates AFFORDABILITY - realistic capital and revenue costs and savings over the life span of the investment; and FUNDING - agreed sources of external finance and support where applicable.
- the management case Outlining the governance, plans, and resources that are in place for **successful implementation** by referring to agreed systems and processes - e.g. Projects IN Controlled Environments (PRINCE2) - based on proven best practice where applicable; and
- the commercial case Outlining the **procurement arrangements** that ensure supply side can deliver requirements on an efficient market basis.
- Climate change agenda following on from the Council announcing a climate change emergency, all bids must acknowledge the impact that it will have in this area

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

Capital Expenditure & Financing

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

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and includes current estimates for capital bids for 2022/23 and beyond.

It will be revised, if necessary, as the 2022/23 budget process develops, and the final figures are incorporated into the Budget in February 2022.

The table below summarises capital expenditure plans, as set out in the detailed Capital Strategy, and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m
General Fund	14.208	8.479	7.331	2.027
HRA	29.191	4.811	4.241	4.341
To be financed by:				
Capital grants/contributions	4.709	0.810	0.810	0.810
Capital reserves/receipts	9.497	2.964	2.396	1.216
Revenue	10.974	1.266	1.221	2.501
Net financing need for the year	18.219	8.250	7.145	1.841

Table 1 Financing of Capital Expenditure 2020/21 – 2024/25

Capital Financing Requirement

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

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

The CFR includes any other long-term liabilities, for example Private Finance Initiative schemes ("PFI") and finance leases. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the PFI or lease provider and so the Council is not required to separately borrow for these schemes. The Council currently does not have any finance lease or PFI/PPP commitments within the CFR.

The current CFR projections are included in Table 2 below

	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital Financing Requirement					
CFR – Non housing	22.413	30.576	36.531	41.137	40.349
CFR – HRA	64.331	72.921	72.921	72.921	72.921
Total CFR	86.744	103.497	109.452	114.058	113.270
Movement in CFR	4.152	16.753	5.955	4.606	(0.788)

Movement in CFR represented by					
Net financing need for the year	0.323	18.212	7.576	6.471	1.166
Less:					
MRP/VRP and other financing movements	(1.459)	(1.459)	(1.621)	(1.865)	(1.954)
Movement in CFR	(1.238)	16.753	5.955	4.606	(0.788)

Table 2 Capital Financing Requirement 2020/21-2024/25

Minimum Revenue Provision (MRP) Policy Statement

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

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

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

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

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

MRP Overpayments – The DLUHC MRP Guidance allows that any charges made over the statutory MRP – VRP, or overpayments – can be reclaimed in later years, if deemed necessary or prudent. For these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until 31 March 2021 the total amount of VRP overpayments were £6.453m

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

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

Commercial Activity

Commercial property investment, particularly the 'bricks and mortar' retail environment, has seen considerable volatility during recent years with the demise of many established high-street brands. This trend is expected to continue in the foreseeable future as the retail

market adapts to the continuing growth of on-line markets. Due diligence which will include utilising the expertise of consultants in the relevant fields will be applied in considering direct or indirect (pooled funds, etc) investment in this sector to examine sensitivity around asset valuations, assumed rental yields, and tenant strength. Particular emphasis will be given to exit strategies and risks associated with asset obsolescence and/or changing market conditions.

Service Investments: Loans

The Council can lend money to local bodies or its subsidiaries to support local public services and stimulate local economic growth. Historically the Council has only done this in very limited circumstances where a significant service outcome is expected. There are currently two loans that have been approved by Council.

A loan of up to **£5.414m** was approved as the Council became a partner in the Sherbourne Recycling Facility to be located in Coventry. The facility will be the location for the processing of all recycle material for the partners with also the opportunity to sell any surplus capacity in the private market. The scheme which has 8 partner local authorities

- Coventry City Council
- Solihull MBC
- Walsall MBC
- Nuneaton and Bedworth BC
- North Warwickshire BC
- Rugby BC
- Warwick BC
- Stratford BC

This loan is scheduled to be repaid over a 25-year term and the first tranche of the Council's contribution was paid in 2021. The centre is scheduled to be operational from April 2023.

The Council now has a corporate structure for its trading activity which is flexible enough to establish a variety of subsidiary companies. The structure has been created in such a way that the activity of the housing development Joint Vehicle will be operated separately under the same umbrella structure.

In June 2021, the Council agreed a loan facility of up to £9.760m to the recently incorporated company, Caldecott Developments Ltd (CDL). The oversight of this company is undertaken by another recently incorporated company known as Caldecott

Group Ltd, a subsidiary of the Council, and the governance will include elected members.

The loan is to provide the company with capital and revenue for the next 5 years to allow them to complete feasibility studies on several proposals which, if successful, will provide Rugby with a number of redeveloped or new houses. Drawdown of the loan facility will only be actioned following approval from the Shareholder's Committee.

CDL is expected to pay RBC interest on the Loan at commercial to ensure compliance with the World Trade Organisation Subsidy Rules, replacing the EU State Aid rules pursuant to the terms of the Project Plan.

To limit the risk and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding exposure is currently set at £20m.

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

Assessment:

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

Service Investments: Shares

The Council has a minimal committed shareholding of up to £0.095m as part of its proposed investment in the Sherbourne Recycling Facility.

The trading structure now has a joint venture, Caldecott Development Limited, which is a partnership with the Norse Group and the shareholding is split 50:50 between the partners. Caldecott Developments Limited is a subsidiary of Caldecott Group Limited which is wholly owned by Rugby Borough Council

The Council has the limit on investment in this type which will be set at £0.120m and any change to the limit would be addressed in the report to the Council in setting up any further subsidiaries.

a. Security: One of the risks of investing in shares is that they potentially fall in value meaning that the initial outlay may not be recovered. To limit this risk upper limits on the

sum invested in local subsidiaries will be set at the lowest practical level, if and when exposure is allowed.

b. Risk assessment: The Council would assess the risk of loss before entering into and whilst holding shares by going through an extensive process of risk analysis. The risk analysis will include an assessment of the market that the subsidiary will be active in including the nature and level of competition, how the market/customer needs will evolve over time, the barriers to entry and exit and any ongoing investment requirements. The Council will use external advisors as thought appropriate by the Chief Officer Finance & Performance.

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

d. Non-specified Investments: The limits on share investments will be included in the Council's required upper limits on non-specified investments.

Commercial Investments: Property

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

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

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

Individual property risks are constantly monitored and managed by the Property Manager. In order that commercial investments remain proportionate to the financial capacity of the Council, these are subject to an overall maximum investment limit which is set at £60m. Should income not meet expectations the Council holds c.£8m of General Fund reserves available to balance the revenue budget in the short term while the Property Manager reviews the performance of the portfolio.

The movement in the fair value of the investment properties in 2020/21 is as follows:

	£m
Balance at 1 April 2020	0.740
Derecognition - disposals	(0.050)
Balance at 31 March 2021	0.690

Table 3 Movement in Fair Value of Investment Property 2020/21

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

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

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

Liquidity and Security Fair Value Hierarchy

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

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

The commercial properties are revalued each year-end by external valuers so the Council will each year consider whether the underlying assets provide security i.e. are not below their purchase cost. Should this be the case the Council will consider whether its current

holding of the assets is appropriate and bring any alternative actions to Members in an update to the Investment Strategy.

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

i. assessing the relevant market sector including the level of competition, the barriers to entry and exit and future market prospects.

ii. using advisors if thought appropriate by the Chief Officer Finance and Performance.

iii. consulting Council's Asset Management Working Group

iv. taking a final comprehensive report on all new investments to Cabinet

v. continually monitoring risk in the whole portfolio and any specific assets

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

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not provide such commitments and guarantees, and this strategy does not include them for 2021/22. As noted above, if the Council creates a potential subsidiary which may, or may not, require commitments or guarantees dependent on its legal structure. the required limits will be set as a part of the Council report on the setting up of a subsidiary.

Investment Indicators

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

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

Total investment exposure (anticipated)	2021/22 £m	2022/23 £m	2023/24 £m
Treasury management investments	75.440	32.000	16.000
Service investments: Loans	1.409	4.554	4.554
Service investments: Shares	0.095	0.095	0.095
Commercial Investments: Property	-	-	-
TOTAL INVESTMENTS	76.944	36.649	20.649
Commitments to lend	-	9.760	9.760
Guarantees issued on loans	-	-	-
TOTAL EXPOSURE	76.944	46.409	30.409

Table 4 Total Risk Exposure

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

The DLUHC guidance lists other indicators including:

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

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

Revenue Budget Implications

Whilst capital expenditure is not directly charged to revenue, the consequences of capital expenditure are through interest payments and minimum revenue provision (MRP) on sums borrowed to finance projects. MRP is not chargeable to the HRA. The sums charged to revenue are the first call on the resources of the General Fund and HRA and if these costs escalate then there may need to be offsetting savings elsewhere within budgets to compensate. Details of the current estimated sums due to be charged to revenue are set out below.

£m	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
General Fund					
- Interest Payable	0.529	0.538	0.531	0.513	0.498
- MRP	1.459	1.459	1.621	1.864	1.954
Total General Fund	1.988	1.997	2.152	2.377	2.452
HRA					
- Interest Payable	2.252	1.838	1.295	1.104	1.104
Total	4.240	3.835	3.447	3.481	3.556

Table 5, Revenue Implications of Capital Expenditure

The information in the table is based on the approved current projects and will be subject to change as new capital projects are approved or slippage in existing projects occur.

As the costs of financing capital charged to revenue must be considered to be a first call on the available resources, it is important to identify how much of the revenue income streams are committed to financing capital.

Ratio of financing costs as a proportion of the net revenue stream

	2020/21 Actual %	2021/22 Estimate %	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %
General Fund	5.9	14.6	7.8	5.8	6.8
HRA	32.6	38.6	32.9	30.4	31.9

Table 6 Ratio of financing costs as a proportion of the net revenue stream

In the context of the General Fund, Actual of MRP/Interest charges relate to borrowing for the following large schemes approved by Council in recent years:

- Queens Diamond Jubilee Leisure Centre;
- Rainsbrook Cemetery and Crematorium
- World Rugby Hall of Fame;
- Sherbourne Recycling Facility

In the context of the Housing Revenue Account, financing costs can be split into two major items

- £73m borrowing undertaken at the point of self-financing in 2012.
- £66m of borrowing undertaken for the planned Biart place/Rounds Gardens high rise replacement scheme to take advantage of the preference PWLB rates

From April 2022, the Council will account for leases in line with the requirements of IFRS16 – Leases. This standard requires that local authorities will have to treat all leases where they are acting as a lessee, except for low value or short term leases, as finance leases. This means that the Council will need to bring an asset valuation and a corresponding liability onto its balance sheet with effect from 1 April 2022. As the Council will have a liability, it will have to recognise interest payments and minimum revenue provision requirements as separate elements of the lease payments whereas previously the lease payment was accounted for as cost of supplies and services. This will have a direct impact on the Council's prudential indicators. The impact has not yet been determined for Rugby, but it is not expected to be material.

Whilst the Council has several potential projects in the pipeline, until the projects are approved, no new borrowing has been assumed. The impact of the strategy will be updated to reflect new project approvals by the Council.

Section B - Treasury Management

Introduction

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

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

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

ESG (Environmental, Social and Governance)

As a Local Authority using public funds, a consideration of ESG is an aspiration with treasury management activity. There are potentially financial benefits to be gained in the long – term from recognising the impact of climate change, efficient energy consumption, sustainable resources, inclusion, diversity, equality, and strong corporate governance. There is no target for ESG in this strategy because the authority takes a risk based approach to investment activity with the founding principles being

- liquidity,
- security
- yield

If an investment meets the Council's criteria for investing and delivers ESG benefits it will be pursued and highlighted specifically to the Audit and Ethics Committee through the Treasury Management reporting framework.

Cash Resources

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

External Debt	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Debt at 1 April	155.701	156.000	90.600	83.257
Expected change in Debt	0.299	(65.400)	(7.343)	0.000
Other long-term liabilities (OLTL)				
Expected change in OLTL				
Gross debt at 31 March	156.000	90.600	83.257	83.257
The Capital Financing Requirement	86.744	103.497	109.453	114.059
Under / (over) borrowing	(69.256)	12.897	26.196	30.802

Table 7 Gross Debt and the CFR 2020/21 – 2023/24

Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Chief Officer Finance and Performance reports that although the Council has an overborrowed position, it complied with this prudential indicator as the borrowing has been taken out for a future capital scheme and once the construction of the high-rise scheme takes place the capital financing requirement will increase accordingly.

Affordable borrowing limit and Operational boundary

Irrespective of plans to borrow or not, the Council is legally obliged to set an *affordable borrowing limit* (also termed the authorised limit for external debt) each year.

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

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

The table below identifies the current borrowing limit:

Authorised limit £m	2020/21 Actual £m	2021/21 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Debt and other long-term liabilities	190.000	190.000	190.000	190.000

Table 8 Authorised Limit 2020/21 – 2023/24

In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

In most cases, this would be a similar figure to the CFR but may be higher or lower depending on the levels of actual debt and the ability to fund under borrowing by other cash resources.

Operational boundary £m	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m
Debt and other long-term liabilities	180.000	180.000	180.000	180.000

Table 9 Operational Boundary 2020/21 – 2023/24

The Council's policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks and building societies, to minimise the risk of

loss. Money that will be held for longer terms is invested more widely, including in bonds and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy, and the Council may request its money back at short notice.

Governance

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Officer Finance and Performance and staff, who must act in line with the approved Treasury Management Strategy. The Audit and Ethics Committee receives a mid-year and full year report and is responsible for scrutinising treasury management decisions made.

Borrowing Strategy

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

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Chief Officer Finance and Performance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

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

Sources of Borrowing

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

- Public Works Loan Board (PWLB) and any successor body
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds

- Capital market bond investors
- UK Municipal Bond Agency and other special purpose companies created to enable joint local authority bond issues

In addition, capital finance may be raised using leases and hire purchase that are not borrowing but may be classed as other debt liabilities.

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

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

Treasury Investment Strategy

The Council holds significant funds, representing income received in advance of expenditure plus balances and reserves held. In the past year, the Council's total investments have ranged between £92m and £194m and although the level of reserves is expected to reduce in the longer term, there will still be significant short to medium-term cash flow surpluses leading to larger sums being held than the core reserves of the Council would indicate.

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

Given the low returns from short-term unsecured bank investments; the Council will look to diversify its investment portfolio so far as possible. This diversification will represent a continuation of the present strategy that has moved investment into pooled funds and other local authorities.

Business models: Under the IFRS 9 accounting standard introduced in 2018/19, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows rather than buying and selling investments and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

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

- DLUHC's Guidance on Local Government Investments
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

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

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are categorised as either 'specified' or 'non-specified' investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were originally classified as being non-specified investments solely due to the maturity period exceeding one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Council has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £70m.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table 10
7. **Transaction limits** are set for each type of investment (as per table 10)
8. This authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph B10.5.3).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph B8.2).
10. This authority has engaged **external consultants**, (see paragraph B8.4), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2020/21 under IFRS 9, the authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG (now DLUCH) concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31 March 2023.)

However, the authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph B10.5). Regular monitoring of investment performance will be carried out during the year.

- (i) The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:
 - Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign

Long-Term rating of A- and have, as a minimum the following credit rating (where rated):

Long Term - A-

The Council uses credit ratings from the three main rating agencies, Fitch, Standard & Poors and Moodys. The lowest available credit rating will be used to determine credit quality

- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided they continue to be part nationalised or meet the ratings in Banks 1 above.
- Banks 3 – The Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time invested. The minimum credit rating for operational bank accounts will be BBB-, and with assets greater than £25bn.
- Bank subsidiary and treasury operation -. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies - The Council will use all societies which have a minimum credit rating of BBB.
- Money Market Funds (MMFs) CNAV – £10M
- Money Market Funds (MMFs) LVAV –£10M
- Money Market Funds (MMFs) VNAV – £5M
- Ultra-Short Dated Bond Funds with a credit rating of at least – AA
- UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility – “DMADF”)
- Local authorities, parish councils etc
- Housing associations/Registered Providers
- Supranational institutions
- Corporate loans, bonds and commercial paper
- Property and equity pooled funds

A limit of £70m will be applied to the use of non-specified investments

The Council may invest with any of the counterparty types in the table below; subject to the cash limits (per counterparty) and the time limits shown in Table 10. These limits will cover both specified and non-specified investments.

Proposed Change

It is proposed that the investment limit with the bank that the Council transacts its own finances be increased from £5m to £10m in line with the investment limits in other banks and building societies. As well as adopting a consistent approach to all banking institutions it will also alleviate some small operational difficulties experienced when receiving large sums of money at short notice which has led to some small breaches of the limit.

Approved counterparties					
Credit Rating	Banks / Building Societies Unsecured	Banks / Building Societies Secured	Non-UK Government	Corporate	Registered Providers
AAA	£5m 5 years	£10m 5 years	£5m 10 years	£5m 10 years	£15m 10 years
AA+	£5m 5 years	£10m 5 years	£5m 7 years	£5m 7 years	£15m 10 years
AA	£5m 4 years	£10m 4 years	£5m 5 years	£5m 5 years	£15m 10 years
AA-	£5m 3 years	£10m 3 years	£5m 4 years	£5m 4 years	£15m 10 years
A+	£5m 12 months	£10m 2 years	£5m 3 years	£5m 3 years	£15m 5 years
A	£5m 12 months	£10m 2 years	£5m 2 years	£5m 2 years	£15m 5 years
A-	£5m 6 months	£10m 13 months	£5m 1 year	£5m 1 year	£15m 5 years
BBB- and assets > £25bn	Council's UK operational bank account only £10m 1 day				
No credit rating	UK unrated Building Societies £3m 6 months		Corporates £1m 1 year	Registered Providers £10m 3 years	
UK Govt	Central government: £unlimited 50 years UK Local Authority: £20m 10 years				
Pooled Funds (incl. Money Market Funds) and Real Estate Investment Trusts			£5m per Fund or Trust Overall limit on aggregate amounts invested across Funds or Trusts of £30m		

Table 10 Counterparty Limits

Table 10 must be read in conjunction with the notes below.

Where appropriate the council will carry out thorough due diligence in order to minimise the risk that it could be exposed to. This will involve independent credit analysis acquired from a Treasury Management advisory company shows them to be suitably creditworthy.

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

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

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

d. **Building Societies:** Although the regulation of building societies is no longer any different to that of banks the Council takes additional comfort from building societies' business model. The Council will therefore consider investing with unrated building societies where independent credit analysis acquired from a Treasury Management advisory company shows them to be suitably creditworthy.

e. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years and with a UK local government body up to £20m for up to 10 years. The Council is confident that as a sector local authority are secure investments in the context of support from Central Government and the legal surcharging framework that guarantees debts will be paid.

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

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

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

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

k. **Real estate investment trusts (REITs):** Shares in companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. The Council will carry out detail appraisal and take advice before any possible investment.

l. **Operational bank accounts:** The Council may incur exposure through its current accounts to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity. The Council currently banks with Lloyds Banking Group rated A+.

The Council is proposing to increase the limit that it can remain invested within Lloyds Banking Group to £10m to bring it in line with other banks. The current limit has led to some operational difficulties where government grants have been received at short notice which has led to some difficulties in placing funds.

m. **Long Term investments:** Alongside pooled funds the Council may use long term investments when they are appropriately secure over the term of the investment. A limit of £70m has been set total long term (over a year) investments.

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

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

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

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

- a) **Non-specified treasury management investment limit.** The Council has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being £70m of the total treasury management investment portfolio.
- b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a **minimum sovereign credit rating of AA-** from Fitch or equivalent. The range of countries that qualify using this credit criteria will be added to, or deducted from, by officers should ratings change in accordance with this policy.
- c) **Other limits.** In addition:
 - no more than £20m will be placed with any non-UK country at any time.
 - limits in place above will apply to a group of companies.
 - sector limits will be monitored regularly for appropriateness.

Treasury Management consultants – the Council uses Link Group, Treasury Solutions as its external treasury management advisors.

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

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

Investment performance

This Council will use an investment benchmark to assess the performance of investment portfolio using the 12-month compounded / SONIA. Previously the Council had used the publication of official LIBOR figures (and related LIBID calculations) which ceased at the close of 2021. As such, we have updated references to SONIA (Sterling Overnight Index Average), which is the risk-free rate for sterling markets administered by the Bank of England.

For reference, SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

External fund managers – As at 31 December 2021 £6m of the Council's funds is externally managed on a discretionary / pooled basis by CCLA and Lothbury Property Funds

The Council's external fund manager(s) will comply with the Annual Investment Strategy. The agreement(s) between the Council and the fund manager(s) additionally stipulate guidelines on duration and other limits in order to contain and control risk.

The Council fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager. In order to aid this assessment, the Council is provided with a suite of regular reporting from its manager. This includes receiving quarterly statements and annual reports.

In addition to formal reports, the Council also meets with representatives of the fund manager on a semi-annual basis. These meetings allow for additional scrutiny of the manager's activity as well as discussions on the outlook for the fund as well as wider markets.

Investment Security and Borrowing

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

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

Investment limits: The Council’s revenue reserves available to cover investment losses are forecast to be in the region of £7m on 31 March 2022. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

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

Treasury Management Indicators

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

As an example, based on historic data, a AAA (least risk) rated investment has 0.04% chance of default within 1 year and a 0.17% chance of default within 3 years. A -BBB (most risk) rated investment has a 0.65% chance of default within 1 year and a 3.22% chance of default within 3 years.

	Target
Historic risk of default	0.25% (max)

Table 11 Security Benchmark Target

Maturity structure of borrowing: This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing (fixed rate and variable rate) borrowing are shown below.

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

Table 12 Limits on maturity structure of borrowing

Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total long-term principal sum invested to final maturities beyond the period end will be:

Maximum principal sums invested > 365 days from end of financial year				
	31 March 2021	31 March 2022	31 March 2023	31 March 2024
	£m	£m	£m	£m
Principal sums invested for longer than 365 days	82.9	36.5	21.0	11.0
Investments in excess of 1 year matured in each year		46.4	25.4	10.0

Table 13 Maximum Principal Invested more than 365 days

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

Economic Background

Economies continue to re-open, while governments have either commenced or are contemplating dialling down emergency fiscal support mechanisms. For the UK, fiscal policy tightening has already been put in place. On the monetary policy front, matters are more complex, with price pressures on the rise and expected to remain elevated into 2022/23, while economic recoveries are seemingly losing momentum heading into the latter stages of 2021/22. Markets are unsettled, with asset prices coming under pressure following their largesse gains made in the formative stages of recovery.

In the UK, the Bank of England's Monetary Policy Committee made clear in its September 2021 meeting that subsequent gatherings are "live", with markets reacting by reining in their timing of Bank Rate hikes. Investing in 2022/23, is likely to be conducted, (at some stage), in a rising interest rate environment, with yield curves having upside trajectories that have been absent since the pandemic first struck.

The factors likely to be affecting the future path of Bank Rate are summarised below:

- In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3 February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5 May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.
- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.

- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

On 15 December the CPI inflation figure for November spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).

Other elements of inflation are also transitory e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.

Although it is possible that the Government could step in with some **fiscal support for the economy**, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking.

Credit Outlook

The anticipated impact of the economic factors detailed above on interest rates is set out in the table below.

%	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22	Mar 23	Jun 23	Sep 23	Dec 23
Bank Rate	0.25	0.25	0.5	0.5	0.5	0.75	0.75	0.75	0.75
5yr PWLB Rate	1.40	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.80
10yr PWLB Rate	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.00	2.00
25yr PWLB Rate	1.80	1.90	2.00	2.10	2.10	2.20	2.20	2.20	2.30
50yr PWLB Rate	1.50	1.70	1.80	1.90	1.90	2.00	2.00	2.00	2.10

Table 14 Interest Rate Forecast March 2021 – March 2023

Present Position and Forecast

On 31 December 2021 the Council held £99.5m of borrowing and £110.9m of investments at market value; broken down as follows:

	31 December 2021 £m
Call Accounts	
Other Local Authorities / Registered Providers	61.4
Banks / Building Societies – rated	38.5
Banks / Building Societies – unrated	
Total managed in-house	99.9
Pooled Funds	6.0
Bonds and Certificates of Deposit	5.0
Total managed externally	
Total Treasury Investments	110.9
PWLB	85.8
Other Long-Term Borrowing	13.7
Short Term Borrowing	-
Total External Borrowing	99.5
Net Treasury Investments / (Borrowing)	11.4

Table 15 Net Investments Summary

The balance sheet of the Council can be projected to estimate the amounts available for investments. Below is the current projected analysis of the balance sheet to illustrate the trajectory of the Council's funds.

Year End Resources	2020/21 Actual £m	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Fund balances / reserves	40.134	29.286	35.452	39.701	44.439
Capital receipts	9.901	6.662	13.696	16.730	19.764
Provisions	3.371	3.371	3.371	3.371	3.371
Total core funds	53.406	39.319	52.519	59.802	67.574
Working capital (surplus) / deficit	10.000	10.000	10.000	10.000	10.000
Under/(over) borrowing	(69.256)	12.898	26.196	30.802	30.014
Expected Investments	132.662	36.421	36.323	39.000	47.560

Table 16 Balance Sheet Analysis 2020/21 – 2024/25

Section C Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Officer Finance & Performance is a qualified accountant with over 12 years' experience and the Property Manager is a fellow of RICS with over 20 years of experience in commercial property. The Council will support junior staff to study towards relevant professional qualifications.

CIPFA require the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Appropriate treasury training will be offered to members on an annual basis. The training needs of treasury management officers are periodically reviewed.

Where Council staff do not have the knowledge and skills required, use is made of external advisers that are specialists in their field. The Council currently employs Link Group, Treasury Solutions as treasury management advisers.

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

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

Section 25- Statement of the Chief Financial Officer on Reserves, Robustness of Estimates and Affordability and Prudence of Capital Investments

1. Introduction

1.1. The Local Government Act 2000 requires Full Council to approve the annual budget, on the recommendation of the Executive or equivalent, together with the associated Council Tax demand.

1.2. The 2003 Local Government Act places specific responsibilities on the “Chief Financial Officer”, to report on the robustness of the budget and the adequacy of proposed financial reserves when the Authority is considering its budget requirement. The Authority is required to consider this report when it sets the budget. It is a statutory requirement that councillors must consider this when considering and approving a budget.

1.3. There are a range of other safeguards that the Chief Financial Officer must also consider to prevent the Local Authority from over committing itself financially, including:

- The balanced budget requirement (England, Scotland and Wales) (sections 32, 43 and 93 of the Local Government Finance Act 1992);
- The legislative requirement to make arrangements for the proper administration of their financial affairs (section 151 of the Local Government Act 1972).

1.4. Although the Comprehensive Spending Review was multi year, the sector is still working on a single year Local Government Financial Settlement. The scale of the expenditure reductions required and the evolving requirements on our services during the transition into the endemic phase of COVID-19 recovery, mean that there continues to be significant risks facing the Council in delivering a balanced budget. In fulfilling the responsibilities of Chief Financial Officer, the sections below set out the identified key risks associated with the proposed budget and details of how they can be managed. This will ensure Members are clear on the risks associated with these budget proposals when making their budget decision.

- **Delivering the proposed savings and income items**

The proposals in Appendices C and D of the Council Tax Setting Booklet will need to be fully implemented to ensure that the 2022/23 budget remains balanced and financial resilience is maintained. To manage the risk;

- The delivery of both the savings and income proposals will be monitored through savings delivery plans. These plans will help to ensure appropriate governance is achieved and that responsible officers take ownership for delivery. Progress reports will be collected and presented to Members through the budget monitoring process.

- To assist the process, a Chief Officer led Budget Working Group will be established from March which will review the delivery of the approved savings as well as look at Medium Term options.
- If any schemes are not delivered, Leadership Team in conjunction with the relevant portfolio holder may be required to identify alternative ways for achieving the target.

Failure to deliver the approved schemes will impact on the ability to maintain the level of reserves identified as part of the corporate reserve risk assessment. This will also increase the amounts required in future years to deliver an overall balanced Medium Term Financial Plan (MTFP).

- **The impact of COVID-19**

The proposals in this budget have been established whilst England is adapting following the lifting of the plan B restrictions. However, the true impact on service delivery and the speed as to which the local economy will recover from the last two years is still to be understood. Following on from 2021/22, the proposals include the continuation of the COVID-19 recovery fund, but it is now tapering off and the value will be reduced to £0.772m and will continue to be held corporately to support services where there is a loss of income or increased costs in the year. The grant funding that Local Authorities received to deal with the pressures created by COVID-19 ends in 2021/22 so this may increase the need to draw upon this fund.

- **Budget pressures/income shortfalls**

Quarterly budget monitoring work will take place to determine if pressures are one-off or permanent. Any multi-year pressures may require Chief Officers to deliver additional budget savings as well as anything planned as part of the approved MTFP. The use of the Budget Stability Reserve will be used to temporarily support the Council's financial position, subject to availability after taking into account existing commitments and potential risks.

- **Treasury Management**

The level of interest receipts and return on Treasury Management activities and borrowing costs are subject to market rates. Members are advised of this risk each year, and this is mitigated by application of the annual Treasury Management Strategy and incorporating the Annual Investment Strategy, which is now supplemented by a dedicated Capital Strategy.

Actual interest returns and costs are determined by a variety of factors largely outside the Authority's control.

The strategy combines an overview of how capital expenditure, capital financing, treasury and other investment activity contribute to the provision of local public services along with how associated risk is managed and the implications for future financial sustainability. The strategy sets limits and indicators that embody a prudent risk management approach. The strategy is set against the Medium Term Financial Strategy, the context of the UK economy, and projected outlook on

interest rates. The investment strategy pulls together information on commercial property to explicitly show the risk management approach in that area.

- **Local Government Funding Reform**

The estimates within this draft budget reflect the Local Government Finance Settlement 2022/23 as well as the most up to date forecast of business rates income. As reported previously, there are several risks faced due to the forthcoming funding reform. The most significant are:

- Loss of existing growth due to the Business Rates Reset
- The outcome of the Fair Funding Review providing a reduction in our assessed funding need
- Significant changes and ending of the New Homes Bonus scheme.

If all items came into effect, it is not considered a realistic scenario that no transitional protection would be built into the system to prevent authorities from losing more than a set amount each financial year. However, at this stage nothing has been identified by central government, therefore the current MTFP reflects a more prudent approach and consequently assumes no transitional protection.

As a high growth borough, being able to maintain an additional year's business rates growth is beneficial. The Medium Term Financial Strategy adopted a policy to transfer any above sustainable baseline growth to the business rates equalisation reserve. Not only does this provide more resilience from the expected cliff edge reduction when the reset takes place, it also provides resources to potentially deal with higher than expected COVID-19 costs due to a prolonged recovery phase.

- **Inflation**

The Authority is facing a growing risk in relation to inflation and although provision has been made for utilities and staffing costs and has been based on the latest information available to officers, the final costs will be outside of the Authority's control.

In addition to this, the proposals include a procurement saving when officers renew new contracts, however, this may be impacted by the rising costs of service provision.

To mitigate against the impact of inflation the Council holds a £0.100m risk against the budget stability reserve which will be used to support with the impact of in year non-pay inflation. This will result in the savings target for 2023/24 increasing if any additional costs are permanent. To support this, as well as the quarterly monitoring reports to Cabinet, the Leadership team will be provided with exception reports on high risk areas in order to understand pressures at an earlier stage.

2. Medium Term Financial Plan

- 2.1. The budget presented to Council meets the statutory obligations as it is balanced; included within the funding though is a £0.531m contribution from the Business Rates Equalisation reserve. This can be attributed to the partial funding of the COVID-19 recovery fund which has a value of £0.772m which will not be utilised if recovery is stronger than budgeted for.
- 2.2. The use of reserves is not intended as a permanent solution as the balances are not replenished but the impact of the further deferral of the business rates reset has resulted in a potential further £4.133m growth above the baseline being identified for the year. Of this balance £1.500m is proposed to be transferred to the Climate Change reserve (£0.500m) and the Transformation reserve (£1.000m) with the remaining balance of £2.633m being contributed to the business rates equalisation reserve. As per the MTFP this will support the Authority when the cliff edge reduction in business rates income takes place which is now expected to be on 1 April 2023.
- 2.3. Members have been advised of the challenges facing the Council to deliver a balanced budget and that work will begin on identifying areas from reducing the costs of the Council as soon as the budget for 2022/23 is approved.
- Also included within the funding for 2022/23 is £0.556m of grant funding from central government. Although welcome, the announcement is for a single year and so the benefit is reversed in the second year of the MTFP which increases the pressure on delivering a balanced MTFP.
- 2.4. Through the reserves risk assessment, potential future year risks have been identified and RAG rated. Taking into consideration everything in this proposed budget, the balance available for emergencies could be in the region of £14.725m. If all risks materialised with no other unexpected pressures this balance would reduce to around £5.772m by 2025/26.
- 2.5. Commitment is essential from Members and Leadership Team if a balanced MTFP is to be maintained.
- 2.6. The Council continues to strive to be commercial and through the development of a trading company structure and the incorporation of Caldecott Developments Limited Company there are expected financial benefits, but at this stage only a small income from an initial loan has been included.
- 2.7. The current Medium Term Financial Strategy covers the period 2018-2023. Given the changing landscape due to COVID-19 and the pressures facing the Council across the MTFP, the document will be reviewed and updated.

3. Section 151 Officer's Statement

- 3.1. The budget information used in preparing this budget resolution has undergone scrutiny by
- Leadership Team and their teams
 - The Financial Services Team
 - The cross-party Budget Working Group and Cabinet
- 3.2. Considering the above, it is the Chief Financial Officer's view that the estimates for 2022/23 have been made with realistic assumptions in an uncertain environment and that it represents a robust but challenging budget.
- 3.3. The Chief Financial Officer has also undertaken a risk analysis of the adequacy of financial reserves, which has been presented to Cabinet throughout the process. Looking at the expected opening balance of £14.725m for the key corporate reserves for 2022/23 and the forecast movement, our risk-based approach has identified potential significant financial burdens that the Authority could be exposed to in the medium term. It is critical that work begins to deliver the significant savings target for 2023/24 promptly to manage the risk. The Council is in a positive position to hold significant balances and through the work of delivering transformation for the remainder of the MTFP, there may be a requirement to use reserves whilst plans are finalised. This will not be utilised without detailed timelines and milestones.
- 3.4. The Chief Financial Officer is of a view that the Council provides an adequate level of reserves for the forthcoming year, but also recognises the challenge facing reserves from 2023/24 onwards.

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			DRAFT Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
LEISURE AND WELLBEING						
Rugby Art Gallery and Museum (RAGM)						
Floor One Gallery artist exhibition hire 2 weeks			124.80			129.80
Public Liability Insurance administration fee (Floor One Gallery)			26.50			27.60
Children's workshops - 2 hours			10.20			10.60
Children's workshops - 10 - 4			25.50			26.50
Baby Splats			5.60			5.80
Tripontium - Roman Britain school workshop			102.00			106.10
Roman Day			219.30			228.10
Arts Award 'Discover in a Day' school session per child			7.10			7.40
Sketch book journey school workshop			102.00			106.10
Historic loans box hire			7.10			7.40
Magic Carpet			117.30			122.00
Draw, Draw, Draw			102.00			106.10
Rugby Collection			96.90			100.80
Archaeological archive deposits, per box			300.00			300.00
Centre supervisor to stay after hours (hourly rate)			42.40			44.10
Gallery Assistant (per hour)			31.80			33.10
<u>Education Room 1 - hire charges</u>						
Per hour			24.00			25.00
National Charities/Education			19.20			20.00
Local Groups/Charities/Education			16.70			17.40
<u>Education Room 2 - hire charges</u>						
Per hour			16.90			17.60
National Charities/Education			13.70			14.20
Local Groups/Charities/Education			11.80			12.30
Note: Room Hire						
FULL day room hire offers a 5% discount						
Refreshments can be provided at an additional cost please contact service directly for details						
Rugby Open fee - single artwork			7.10			7.10
Rugby Open fee - three artworks			18.40			18.40
Rugby Open late collection of artwork fee (per artwork per day)			5.10			5.10
Rugby Open commission on artwork sales			25% commission			25% commission
The Benn Hall						
Monday - Thursday per hour						
Main Hall			35.00			35.00
Rokeby Room			25.00			25.00
Bar			15.00			15.00
Whole Building			60.00			60.00
Friday - Sunday & Bank Holidays per hour						
Main Hall			65.00			65.00
Rokeby Room			40.00			40.00
Bar			20.00			20.00
Whole Building			100.00			100.00
Wedding hire						
With exclusive use of whole building including kitchen from 10am - 1am			1250.00			1,250.00
With exclusive use of whole building including kitchen from 5pm - 1am			730.00			730.00
Use of Kitchen Facilities for the provision of:-						
Tea/Coffee/Squash/Biscuits			40.00			40.00
All other catering per hour			25.00			25.00
Show Packages						
Monday - Wednesday			400.00			400.00
Thursday to Sunday			600.00			600.00
NOTE:						
(a) Preparation time, if required, must be arranged at time of booking. Please note this cannot always be guaranteed.						
(b) Christmas Eve, New Year's Eve and New Year's Day will be charged at weekend rate.						
Sports and Recreation						
Use of Community Sports Coach			17.10			17.80
Use of a Play Ranger			17.10			17.80
Use of On Track Sports Leaders						
Schools (PPA/Lunch)			17.10			17.80
Sport Specific			20.80			21.60
Mentoring			20.80			21.60
Small Group Work			31.20			32.40
Youth Club			17.60			18.30
Sport Leader Courses			31.20			32.40
Boxing Leader Courses			31.20			32.40

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Parks						
Caldecott Park - to be fixed with the café leaseholder						
Special Events on Parks and Open Spaces						
Sports Tournaments		price on application			price on application	
Charitable Events		no charge			no charge	
Dog Shows - per opening day		311.00			312.00	
Fairs/Circuses - per operating day		413.00			414.00	
Fairs/Circuses - per setting up day		117.00			118.00	
Returnable deposit for new fair/circus operator		326.00			327.00	
Commercial Events		415.00			416.00	
Filming rights (per day)		220.00			221.00	
Ice Cream Licence		price on application			price on application	
Sports Pitches						
SPORTS PITCHES ARE HIRED PER SESSION (not including time spent changing)						
All hirers must provide evidence of Public Liability insurance of £5 million and sign the current Terms and Condition of Hire						
Matches must be completed by 9pm Monday to Saturday and by 6pm on Sunday						
Rugby Football:	1 session is deemed to last up to 100 minutes					
Football:	1 session is deemed to last up to 120 minutes					
Cricket:	1 session is deemed to last up to 4 hours					
Changing Facilities: where booked will be charged per pitch session as above						
This is an unattended service provided to specific clubs/teams by prior agreement. An attended service is available for a casual booking - additional charge payable						
Where an all day booking is made, morning is deemed to be one session, afternoon one session and evening one session. Each session will be charged as detailed.						
Senior pitch hire						
Football, Rugby, Cricket, Gaelic Football		40.00	33.00		41.00	34.00
Intermediate pitch hire						
Football		31.00	26.00		32.00	27.00
Junior pitch hire						
Football, Rugby		20.00	17.00		21.00	18.00
Mini pitch hire						
Football		15.00	12.50		16.00	13.00
UNAUTHORISED USE OF FACILITIES - DOUBLE FEE PAYABLE						
Training (per training session)		10.00	10.00		11.00	11.00
Changing Rooms (subject to change as facilities are refurbished)						
Charged per session as above. Changing rooms are opened as for Football/Cricket, 30 minutes before kick-off, Rugby/Gaelic 60 minutes before kick-off and early opening - price on application.						
Unattended regular use through the season on specified number of occasions (minimum 10)						
Seniors £22 per room per occasion (no refunds unless cancelled by Council)			22.00			23.00
Juniors £15 per room per occasion (no refunds unless cancelled by Council)			15.00			16.00
Juniors						
Weekly access to toilets only (For season- dates as agreed)			250.00			260.00
Unattended casual use (less than 10 occasions)						
Seniors £18.00 per room per occasion			18.00			19.00
Juniors £12.50 per room per occasion			12.50			13.00
Attended Service						
Additional £25 payable			Additional £20 payable			Additional £25 payable
Late Booking Charges						
Each Pitch (Including VAT)			5.00			11.00
Changing room(s) (plus VAT as appropriate)			5.00			11.00
Professional Trainers (per hour)						
			15.00			15.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

GROWTH AND INVESTMENT

Planning Services

Pre-application Charges			
Householder Extensions or Outbuildings			90.00
Other Commercial Development			Price on application
1-4 Dwellings, Agriculture, Change of Use or other Minor Development Proposals			395.00
Additional Meeting and/or Advice Notice in regard to above			120.00
5-9 Dwellings; or any development with 500m2 to 999m2 of Floor Space			1,050.00
Additional Meeting and/or Advice Notice in regard to above			120.00
10 to 49 dwellings; or any development up to 0.49; or 1,000 to 4,999 m2 of floor space	1,470.00		2,400.00
Additional Meeting and/or Advice Notice in regard to above			500.00
50 to 99 dwellings; or development 0.5 to 0.99ha or 5,000 to 9,999 m2 of floor space	2,940.00		3,700.00
Additional Meeting and/or Advice Notice in regard to above			500.00
200+ Dwellings; or development greater than 2 ha; or gross floor area greater than 10,000m2	4,410.00		5,500.00
Additional Meeting and/or Advice Notice in regard to above			900.00
Planning Performance Agreements			
Major strategic developments where a Planning Performance Agreement (PPA) is required: to be negotiated on a case by case basis			price on application
Planning Application Fees - set nationally			
A Guide to the Fees for Planning Applications in England			price on application
Plan Printing – Size A0 + (per copy)			
Size A0	8.60		8.90
Size A1	6.30		6.60
Size A2	4.30		4.50
Size A3	2.00		2.10
Size A4	1.00		1.00
Size A4	1.00		1.00
Planning Decision Notices (including appeal decisions)			
Per copy	15.90		16.50
Miscellaneous Documentation			
First copy from each file	1.00		1.00
Subsequent copies (black and white) per side	0.10		0.10
Subsequent copies (colour) per side	0.20		0.20
Local Development Scheme			
	no charge		no charge
Supplementary Planning Documents			
Housing Needs SPD March 2012	no charge		no charge
Planning Obligations March 2012	no charge		no charge
Sustainable Design and Construction March 2012	no charge		no charge
Section 106 Agreements			
for any obligation related to Affordable Housing which contains eligibility criteria			500.00
for each obligation which only seeks a monetary contribution			500.00
5% of the total financial contribution per obligation where additional ongoing monitoring is required over and above just a monetary contribution			
Any large scale developments including Sustainable Urban Extensions will be subject to bespoke monitoring fee arrangements			

Building Control

From 1st April 2015 regulatory activities will be undertaken by Warwick District Council as a shared partnership. Please visit www.warwickdc.gov.uk for further information.

Land Charges

Full Local Search LLC1 (no VAT) & Con29 (+VAT)	111.20		115.60
Additional Questions each	36.70		38.20
Additional Parcels each	23.50		24.40
LLC1 (search only)	25.50		26.50
Con29	85.70		89.10
Con29 O - Optional Enquiries, except ones listed below	12.20		12.70
Con29 O - Optional Enquiry 22	14.70		15.30
Personal Search - free to view on the Council website			
Other CON29 questions			
Question 1.1 j, k, l	16.80		17.50
Question 2	33.00		34.30
Question 3.7	14.70		15.30
Question 3.8	4.90		5.10
Question 3.9	5.20		5.40
Question 3.11	15.90		16.50
Question 3.13	1.50		1.60
We DO NOT answer Questions 4 & 16			

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees	2021/22 Fees	2021/22 Fees	2022/23 Fees	2022/23 Fees	2022/23 Fees
	A	B	C	A	B	C
	£	£	£	£	£	£
REGULATION AND SAFETY						
Bereavement Services						
Adult rates apply to persons aged 18 or over						
Rainsbrook Crematorium						
Cremation Fees inclusive of Organist fee, scattering fee & Environmental Levy						
Child - up to and including 17 years of age			no charge			no charge
Adult - service 9.00am - 4.45pm			835.00			860.00
Adult - no service 8.15am - 8.45am, 5.00pm - 5.30pm			550.00			550.00
Cremation of body parts (<i>Free of charge if we cremated deceased</i>)			200.00			200.00
Weekend Surcharge						
Saturday cremation 10.00am - 12 noon - strict rotation			600.00			640.00
Saturday interment of cremated remains (am only)			150.00			150.00
Saturday scattering of cremated remains (am only)			75.00			75.00
Scattering of ashes when cremation has taken place elsewhere			50.00			50.00
Supply of casket (with name plate)			60.00			60.00
Forwarding cremated remains by post (inland)			price on application			price on application
Audio recording of services			50.00			65.00
DVD recording of service			65.00			65.00
Subsequent copies			40.00			40.00
Slideshow / Visual Tribute (price dependant on number of photos chosen)			25.00			75-100
Webcast			75.00			75.00
Use of Rainsbrook Ceremony Room (for a memorial service- no cremation)			250.00			300.00
Bearer's fee (advance booking only)			40.00			50.00
Memorial flowers medium			40.00			40.00
Memorial flowers large			60.00			60.00
Late arrival / overrun per 15 minutes			275.00			300.00
Book of Remembrance						
Two line entry			75.00			75.00
Five line entry			125.00			125.00
Five line entry with emblem			175.00			175.00
Eight line entry			195.00			195.00
Eight line entry with emblem			225.00			225.00
Memorial Tree (Bronze Plaque only, 10 year lease)			395.00			450.00
Memorial Barbian Plaque (5 year lease)			375.00			375.00
Memorial Bench (Bronze Plaque only, 10 year lease)			250.00			250.00
Desk Vase Tablet Package (50 year lease, inclusive price)			2250.00			2,275.00
Memorial Kerb (5 year lease)			250.00			350.00
Tree of Life (10 year lease)			450.00			450.00
Memorial Boulder (10 year lease)			575.00			575.00
Armed Forces Wall (Inclusive of Regimental Badge, perpetuity)			250.00			250.00
Reservation fee: Granite Memorial Annual Charge for Space only			100.00			100.00
Rugby Borough Council Cemeteries						
Croop Hill Cemetery, Whinfield Cemetery, Watts Lane Cemetery, Clifton Road Cemetery						
Burial Charges						
Non-residents of Rugby are subject to triple fees in respect of Exclusive Right of Burial and Interment fees						
Purchase of Exclusive Right of Burial for 50 years						
Adult's Plot			1,200.00			1,500.00
Reservation Fee			500.00			N/A
Adult's Plot - Watts Lane Green Burial area (single depth only)			1,200.00			1,500.00
Reservation Fee			500.00			N/A
Interment fees - preparation and backfilling of grave						
Babies & children up to 17yrs – all areas including Cloverleaf Memorial Garden			no charge			no charge
Adult grave			800.00			850.00
Stepped single grave - for burial without coffin			900.00			900.00
Weekend surcharge - Saturday 9.30am to 12.00 noon (when agreed)			650.00			650.00
Construction of vault			price on application			price on application
Interment of Cremated Remains in a Cemetery						
Purchase of Exclusive Right of Burial for 50 yrs						
Cremation plot for 2 caskets (most plots are this size)			500.00			650.00
Cremation plot for 4 caskets (Croop Hill Cemetery)			700.00			750.00
Reservation Fee			350.00			350.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Rugby Borough Council Cemeteries						
Interment fees - preparation and backfilling of grave						
Babies and children up to 17 yrs – all areas including Cloverleaf Memorial Garden			no charge			no charge
Adult - interment of cremated remains			350.00			350.00
Adult - strewing of cremated remains under turf			200.00			200.00
Scattering of ashes on the surface is not permitted						
Use of Cemetery Chapel at Watts Lane or Croop Hill Cemeteries			100.00			100.00
Use of Rainsbrook Ceremony Room (no cremation)			250.00			300.00
Cemetery Memorial Tree with bronze plaque			275.00			275.00
Cemetery Memorial Bench			price on application			price on application
Family History Search - Detailed genealogy research			25.00			25.00
Exhumation			price on application			price on application
Plaque on Whinfield Memorial Scrolls			150.00			150.00
Plaque on Watts Lane Memorial Book			150.00			150.00
Plaque on Child in Hand Memorial at Clifton Road			150.00			150.00
Memorial Permit Fees						
Main Cemetery Areas (purchased graves only)						
Headstone (including any base slab) Up to 5'6" high x 3'0" wide x 1'6" deep			250.00			250.00
Vase Up to 1'3" high and 1'0" diameter			150.00			150.00
Plaque/tablet - Main Cemetery Section Up to 2'0" (h) x 2'6" (w) x 1'6" (d)			150.00			150.00
Plaque/tablet - Whinfield Cremation Section Up to 2'0" (h) x 2'0" (w) x 2'0" (d)			150.00			150.00
Plaque/tablet - Watts Lane Cremation Section Up to 2'0" (h) x 2'3" (w) x 2'0" (d)			150.00			150.00
Plaque/tablet - Croop Hill Cremation Section Up to 1'6" (h) x 1'6" (w) x 3'0" (d)			150.00			150.00
Added inscription to any memorial			150.00			150.00
Replacement of existing memorial where no amendment to previous approval			no charge			no charge
Kerbstones including headstone (where permitted)			450.00			450.00
Kerbstones only (where permitted)			300.00			300.00
Oversized headstone			500.00			500.00
Cloverleaf Memorial Garden						
Contact Bereavement Services 01788 533715						
Pest Control						
			Advance payment			Pay by Invoice
Domestic Pest Control						
Rats - up to 3 visits			33.70			53.00
Mice - up to 3 visits			68.30			90.80
Bedbugs - up to 2 visits			102.00			122.40
Fleas - up to 2 visits			79.60			101.00
Cockroaches - up to 3 visits			102.00			122.40
Wasps and Hornets - up to 2 visits						
General charge			59.20			79.60
Additional wasp nest (no concessions)			10.20			10.20
Squirrels - up to 3 visits			67.30			88.70
Commercial Pest Control						
Wasps (non contract)			84.70			106.10
Wasps (contract)			63.20			84.70
			Advance payment			Pay per hour
Minimum charge 1 hour, charged per 30 minutes thereafter.						
Bedbugs, fleas and cockroaches			42.80			106.10
Rats and Mice			42.80			101.00
Contracts (additional treatment over and above agreed contracts terms and conditions)						
Bedbugs, fleas and cockroaches			40.80			84.70
Rats and Mice			40.80			79.60

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Miscellaneous						
		Advance payment	Pay per hour		Advance payment	Pay per hour
Fumigation void premises		42.80	84.70		42.80	84.70
House clearance		42.80	53.00		42.80	53.00
Key collections (Rugby area only)		n/a	53.00		n/a	53.00
Reclamation of Stray Dogs						
Untagged						
First Offence			95.00			95.00
Subsequent Offence			105.00			105.00
Tagged						
First Offence			70.00			70.00
Subsequent Offence			90.00			90.00
Kennel costs (per day) subject to third party increases			13.20			14.40
Note: A day includes part days and is applied from the day of acceptance into the kennel. Micro-chipping is a service provided by the Councils Stray Dog Kennels Provider						
Licences and Permits						
Animal Licences						
House to House Licence			no charge			no charge
Pet Shops/Selling of animals						
1 Year Licence			195.00			195.00
2 Year Licence			320.00			320.00
3 Year Licence			467.00			467.00
Renewal			145.00			145.00
Animal Boarding Establishments (large establishments- 7 and over)						
1 Year Licence			210.00			210.00
2 Year Licence			367.00			367.00
3 Year Licence			525.00			525.00
Renewal			160.00			160.00
Animal Boarding Establishments (small establishments- 6 and under)						
1 Year Licence			180.00			180.00
2 Year Licence			315.00			315.00
3 Year Licence			450.00			450.00
Renewal			130.00			130.00
Dog day care						
1 Year Licence			175.00			175.00
2 Year Licence			300.00			300.00
3 Year Licence			425.00			425.00
Renewal			130.00			130.00
Hiring of horses (plus annual vet's fee- payable separately)						
1 Year Licence			220.00			220.00
2 Year Licence			385.00			385.00
3 Year Licence			550.00			550.00
Renewal			170.00			170.00
Breeding of Dogs (plus vet's fee- payable separately)						
1 Year Licence			240.00			240.00
2 Year Licence			420.00			420.00
3 Year Licence			600.00			600.00
Renewal			190.00			190.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Licences						
Keeping or training animals for exhibition (3 year licence)			180.00			180.00
Keeping or training animals for exhibition (renewal)			130.00			130.00
Re-rating visits			175.00			175.00
Variation of a licence			130.00			130.00
Dangerous Wild Animals Act (excluding vet fees)			315.00			315.00
Zoo Licence (excluding vet fees)			625.00			625.00
Skin Piercing etc., Acupuncture, tattooing, electrolysis and ear piercing (per practitioner)			165.00			165.00
Skin Piercing etc., Acupuncture, tattooing, electrolysis and ear piercing (temporary events e.g. conventions and guest tattooists. Limited to 2 weeks and only if registered with another local authority - proof required.)			40.00			40.00
Ear piercing only (per practitioner)			85.00			85.00
Food Premises Registration			no charge			no charge
Street Traders Licence (per pitch per day - issued by Rugby First)			32.00			32.00
Sex Establishment Licence			4,700.00			4,700.00
Hypnotism			100.00			100.00
Note: all animal licenses may be subject to further vet fees in accordance with the relevant legislation. All fees stated exclude vet fees.						
Pollution Prevention and Control						
The fee charging regime for these industries will change with effect from 1st April. The charging regime is set by Government annually. The new regime is risk based and full details are available on request or can be found at www.defra.gov.uk/environment/ppc/localauth/fees-risk/fees.htm						
Lotteries and Amusement						
Initial			40.00			40.00
Renewal			20.00			20.00
Licensing Act 2003						
Main Application Fee - per Rateable Band						
Band A			100.00			100.00
Band B			190.00			190.00
Band C			315.00			315.00
Band D			450.00			450.00
Band E			635.00			635.00
Band D X (2)			900.00			900.00
Band E X (3)			1,905.00			1,905.00
Main Annual Charge						
Band A			70.00			70.00
Band B			180.00			180.00
Band C			295.00			295.00
Band D			320.00			320.00
Band E			350.00			350.00
Band D X (2)			640.00			640.00
Band E X (3)			1,050.00			1,050.00
Variation						
Band A			100.00			100.00
Band B			190.00			190.00
Band C			315.00			315.00
Band D			450.00			450.00
Band E			635.00			635.00
Personal Licences, Temporary Events and Other Fees						
Application for a grant or renewal of personal licence			37.00			37.00
Temporary event notice			21.00			21.00
Theft, loss etc. of premises licence or summary			10.50			10.50
Application for a provisional statement where premises being built etc.			varies			varies
Notification of change of name or address			10.50			10.50
Application to vary licence to specify individual as premises supervisor			23.00			23.00
Application for transfer of premises licence			23.00			23.00
Theft, loss etc. of certificate or summary			10.50			10.50
Notification of change of name alteration of rules of club			10.50			10.50
Change of relevant registered address of club			10.50			10.50
Theft, loss etc. of temporary event notice			10.50			10.50
Theft, loss etc. of personal licence			10.50			10.50
Duty to notify change of name or address			10.50			10.50
Right of freeholder etc. to be notified of licensing matters			21.00			21.00
Interim Authority notice following death etc. of licence holder			23.00			23.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees	2021/22 Fees	2021/22 Fees	2022/23 Fees	2022/23 Fees	2022/23 Fees
	A	B	C	A	B	C
	£	£	£	£	£	£
Licences						
Fees for Scrap Metal Dealers Act 2013 scrap metal licence applications and incidental costs						
Scrap metal dealer site licence application fee			350.00			350.00
Scrap metal dealer site licence renewal fee			250.00			250.00
Scrap metal dealer site licence variation fee			90.00			90.00
Scrap metal dealer collector licence fee			250.00			250.00
Scrap metal dealer collector renewal fee			230.00			230.00
Scrap metal dealer collector variation fee			90.00			90.00
Replacement licence			30.00			30.00
Fees for Mobile Homes Act 2013 licence applications and incidental costs						
Application			250.00			250.00
Annual fee 2 to 10 residential units			150.00			150.00
Annual fee 11 to 30 residential units			220.00			220.00
Annual fee 31+ residential units			300.00			300.00
Compliance notice			335.00			335.00
Transfer of licence			72.00			72.00
Variation of licence			215.00			215.00
Fees only apply to relevant mobile homes sites. If exempt, licence fee £nil, no annual fee, compliance notices do not apply and transfer or variation fees £nil.						
Gambling Act permit fees						
Licensed premises gaming machines permits:						
Grant			150.00			150.00
Existing operator grant			100.00			100.00
Variation			100.00			100.00
Transfer			25.00			25.00
Annual fee			50.00			50.00
Change of name			25.00			25.00
Copy of permit			15.00			15.00
Licensed premises automatic notification process						
On Notification			50.00			50.00
Club gaming permits						
Grant			200.00			200.00
Grant (club premises certificate holder)			100.00			100.00
Existing operator grant			100.00			100.00
Variation			100.00			100.00
Renewal			200.00			200.00
Renewal (club premises certificate holder)			100.00			100.00
Annual fee			50.00			50.00
Copy of permit			15.00			15.00
Club machine permits						
Grant			200.00			200.00
Grant (club premises certificate holder)			100.00			100.00
Existing operator grant			100.00			100.00
Variation			100.00			100.00
Renewal			200.00			200.00
Renewal (club premises certificate holder)			100.00			100.00
Annual fee			50.00			50.00
Copy of permit			15.00			15.00
Family entertainment centre gaming machine permits						
Grant			300.00			300.00
Renewal			300.00			300.00
Existing operator grant			100.00			100.00
Change of name			25.00			25.00
Copy of permit			15.00			15.00
Prize gaming permits						
Grant			300.00			300.00
Renewal			300.00			300.00
Existing operator grant			100.00			100.00
Change of name			25.00			25.00
Copy of permit			15.00			15.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees	2021/22 Fees	2021/22 Fees	2022/23 Fees	2022/23 Fees	2022/23 Fees
	A	B	C	A	B	C
	£	£	£	£	£	£
Gambling Act Licences						
Converted Casino						
Non-conversion provisional statement			no charge			no charge
Non-conversion application			no charge			no charge
1st Annual fee			2,400.00			2,400.00
Annual fee			2,400.00			2,400.00
Vary licence			1,600.00			1,600.00
Transfer licence			1,080.00			1,080.00
Reinstatement of licence			1,080.00			1,080.00
Provisional			no charge			no charge
Bingo						
Non conversion provisional statement			960.00			960.00
Non conversion application			2,800.00			2,800.00
1st annual fee			800.00			800.00
Annual fee			800.00			800.00
Vary Licence			1,400.00			1,400.00
Transfer Licence			960.00			960.00
Reinstatement of licence			960.00			960.00
Provisional			2,800.00			2,800.00
Gambling Act Permit Fees						
Adult Gaming Centre						
Non conversion provisional statement			960.00			960.00
Non conversion application			1,600.00			1,600.00
1st annual fee			800.00			800.00
Annual fee			800.00			800.00
Vary licence			800.00			800.00
Transfer licence			960.00			960.00
Reinstatement of licence			960.00			960.00
Provisional			1,600.00			1,600.00
Track betting						
Non conversion provisional statement			790.00			790.00
Non conversion application			2,050.00			2,050.00
1st annual fee			830.00			830.00
Annual fee			830.00			830.00
Vary licence			1,050.00			1,050.00
Transfer Licence			790.00			790.00
Reinstatement of licence			790.00			790.00
Provisional			2,100.00			2,100.00
Betting (other)						
Non conversion provisional statement			1,000.00			1,000.00
Non conversion application			2,500.00			2,500.00
1st annual fee			500.00			500.00
Annual fee			500.00			500.00
Vary licence			1,250.00			1,250.00
Transfer licence			1,000.00			1,000.00
Re-instatement of licence			1,000.00			1,000.00
Provisional			2,500.00			2,500.00
Family Entertainment Centre						
Non conversion provisional statement			790.00			790.00
Non conversion application			1,650.00			1,650.00
1st annual fee			625.00			625.00
Annual fee			625.00			625.00
Vary licence			830.00			830.00
Transfer licence			790.00			790.00
Re-instatement of licence			790.00			790.00
Provisional			1,650.00			1,650.00
Temporary Use Notices			500.00			500.00
Copy of Licences			25.00			25.00
Notification of Change of Licence			50.00			50.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Hackney Carriages						
Vehicle Licence			145.00			145.00
Transfer of Vehicle Licence			12.50			12.50
Replacement Plates			34.00			34.00
DBS checks			44.00			44.00
Knowledge Test			30.00			30.00
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)			40.00			40.00
Private Hire Vehicles						
Vehicle Licence			145.00			145.00
Operator's Licence:						
New Applications (valid for 5 years):						
1-4 Vehicles			380.00			380.00
5-10 Vehicles			680.00			680.00
10 or more Vehicles			974.00			974.00
Application Renewal (valid for 5 years)						
1-4 Vehicles			344.00			344.00
5-10 Vehicles			642.00			642.00
10 or more Vehicles			940.00			940.00
Driver's Licence - Dual Hackney and PHV Licence:						
New Application (Valid for 3 years)			370.00			370.00
Application Renewal (Valid for 3 years)			220.00			220.00
Transfer of Vehicle Licence			12.50			12.50
Replacement Plates			34.00			34.00
Knowledge Test			30.00			30.00
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)			40.00			40.00
Car Parks and Parking						
Off Street Parking						
John Barford Car Park						
Up to 3 hours			1.00			1.00
Up to 5 hours			2.50			2.50
Up to 11 hours			5.00			5.00
Sunday			1.00			1.00
Railway Terrace/Gas Street/Old Market Place						
Up to 3 hours			1.00			1.00
Up to 5 hours			4.00			4.00
Up to 11 hours			10.00			10.00
Sunday			no charge			no charge
Chestnut Field/North Street/Little Church Street/Evreux Way						
Up to 2 hours			1.00			1.00
Up to 3 hours			1.30			1.30
Sunday			1.00			1.00
Westway						
Up to 5 hours			2.50			2.50
Up to 11 hours			5.00			5.00
Sunday			no charge			no charge
Newbold Road						
Up to 3 hours			1.00			1.00
Up to 5 hours (weekdays only)			4.00			4.00
Up to 11 hours			10.00			10.00
Saturday up to 11 hours			3.00			3.00
Sunday			no charge			no charge
Penalty Charges						
Penalty charge			50.00 or 70.00			50.00 or 70.00
Penalty charge if paid within 14 days			25.00 or 35.00			25.00 or 35.00

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Car Parks and Parking						
Season Tickets - Day Passes						
John Barford/Westway						
3 months			120.00			120.00
6 months			215.00			215.00
Yearly			400.00			400.00
Railway Terrace/Gas Street/Old Market Place						
3 months			180.00			180.00
6 months			325.00			325.00
Yearly			615.00			615.00
Other Charges						
Vehicles over 3 tonnes/Coaches			not permitted			not permitted
Caravan/trailers and towing vehicles used for exhibitions, trade etc. (per space)			10.00			10.00
Note: Car Park fees are being reviewed for 2022/23 and may be subject to change						
Enforcement Charges						
Fixed Penalty Fines						
The Council has, where possible, determined to set its own level of fines within the standard range of penalties. The general formula is adopted to set the default penalty level to be the maximum possible within the range for that offence. However, this penalty is DISCOUNTED to the minimum penalty possible within the range, IF the penalty is paid within 10 days in the case of Public Space Protection Orders and Fly tipping, and 7 days for all other listed offences.						
	Fixed Penalty	Maximum	Discount	Fixed Penalty	Maximum	Discount
Depositing Litter	80.00	2,500.00	50.00	80.00	2,500.00	50.00
Graffiti and fly posting	80.00	2,500.00	50.00	80.00	2,500.00	50.00
Nuisance parking	100.00	2,500.00	60.00	100.00	2,500.00	60.00
Fly tipping	400.00	unlimited	300.00	400.00	unlimited	300.00
Exposing vehicles for sale on a road	100.00	2,500.00	no discount	100.00	2,500.00	no discount
Repairing vehicles on a road	100.00	2,500.00	no discount	100.00	2,500.00	no discount
Abandoning a vehicle	200.00	2,500.00	120.00	200.00	2,500.00	120.00
Unauthorised distribution of free printed matter	80.00	2,500.00	50.00	80.00	2,500.00	50.00
Failure to furnish documentation (Waste Carriers Licence)	300.00	unlimited	no discount	300.00	unlimited	no discount
Failure to produce authority (Waste Transfer Note)	300.00	unlimited	no discount	300.00	unlimited	no discount
Failure to comply with a Public Space Protection Order	100.00	2,500.00	75.00	100.00	2,500.00	75.00
Failure to comply with a Community Protection Notice (Individual)	100.00	2,500.00	no discount	100.00	2,500.00	no discount
Failure to comply with a Community Protection Notice (Business)	100.00	unlimited	no discount	100.00	unlimited	no discount
Failure to comply with noise warning notice (licenced)	500.00	unlimited	no discount	500.00	unlimited	no discount
Failure to comply with a Public Space Protection Order (Dogs)	100.00	1,000.00	50.00	100.00	1,000.00	50.00
Landlords						
Implementation of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 on 1st April 2015 will result in penalty charges being issued against landlords where they have breached their legal duties in relation to offences under the regulations which require landlords to provide smoke alarms and carbon monoxide alarms in rented properties:						
	Charges Imposed	If Paid Within 14 Days		Charges Imposed	If Paid Within 14 Days	
First Offence	1,000.00	750.00		1,000.00	750.00	
Second Offence	2,000.00	n/a		2,000.00	n/a	
Third Offence (and all Consequent Offences)	5,000.00	n/a		5,000.00	n/a	

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
Enforcement Charges						
Officer Rates						
For reclaiming officer costs when investigating matters that result in a legal proceeding being instituted etc.						
Category A - salary grade D and below			47.90			49.80
Category B - salary grade E to F			63.20			65.70
Category C - salary grade G			80.80			83.80
Category D - Heads of Service or above			95.90			99.70
Administration charges for works in default etc.:						
For each property or person responsible, minimum fee to apply until hourly rate and associated costs exceed this figure						
			58.10			60.40
Any associated letters, reports etc.						
			12.20			12.70
Officers statement for solicitors (minimum 1 hour)						
			officer rates			officer rates
Mileage charged at current casual user rates						
Note: Fees and Charges marked with an asterisk "*" are set by national legislation and will be amended as and when specified charges are amended						
			Normal	Exempt		Normal
						Exempt
Housing						
Private Housing Inspection and Assessment for Immigration and other purposes						
			120.00			120.00
House in Multiple Occupation Licence fee:						
Where Landlord approaches Council			650.00			650.00
Where Landlord is found to be running an unlicensed HMO			900.00			900.00
Renewal of an HMO Licence			493.00			493.00
Copy of Licence			15.00			15.00
Variation of Licence			110.00			110.00
Revoking licence			110.00			110.00
Service of Hazard awareness notice			0.00			0.00
Service of formal notice/order			500.00			500.00
Additional notices/orders for multiple hazards			25.00			25.00
DBS check			44.00			44.00
Public Registers and other information						
All public registers can be viewed in person free of charge and attempts are being made to make some or all of these available on the internet.						
Contaminated land and pollution searches:						
			price on application			price on application
Complete copies of list of Registered Food Premises						
			320.00			320.00
Partial copies of the list of Registered Food Premises						
			£30 + £3 per entry			£30 + £3 per entry
Copies of or from other Public Registers:						
Complete premises files (printed, plus photocopying charge)			40.00			40.00
Partial extracts form premises file (per request, plus copying)			20.00			20.00
Printed copies of Air Quality Assessment Reports etc			51.00			51.00
Information may be available in an electronic format. Prices available on request.						
OPERATIONS AND TRADED						
Waste Collection						
Bulky Waste Collection - up to 3 items						
Each Additional Item:			26.50			28.00
Up to a maximum of 6						
Over 6 household items or any number of garden items (sheds, play equipment)			6.00			6.00
Cancellation Fee						
			3.50			3.50
Domestic Garden Waste Collection (annual subscription)- charge per bin						
			40.00			40.00
Trade Waste						
			price on application			price on application

DRAFT - FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2022

	Current Fees			Proposed Fees		
	2021/22 Fees A	2021/22 Fees B	2021/22 Fees C	2022/23 Fees A	2022/23 Fees B	2022/23 Fees C
	£	£	£	£	£	£
COMMUNITIES & HOMES						
Handy Person Service						
Handy Person Service			price on application			price on application
Welfare Services						
Lifeline Personal Alarm Service - weekly charge Some residents may qualify for a VAT exemption.			4.75			4.75
Emergency Housing						
Housing Guest Bedroom Charges (Including VAT)			15.00			15.00
Street Naming and Numbering						
Add a name to an existing address - Price per address			25.50			26.50
Change an existing address - Price per address			25.50			26.50
Register a new address - Price per address			25.50			26.50
New Addresses on Large Developments - Price per 2 - 5 plots			102.00			106.10
New Addresses on Large Developments - Price per 6 - 10 plots			204.00			212.20
New Addresses on Large Developments - Price per 11 - 19 plots			306.00			318.20
New Addresses on Large Developments - Price per 20+ plots			408.00			424.30
- Price per additional plot over 20 plots			15.30			15.90
Register a new Street - Price per street			102.00			106.10
Rename an existing street - Price per street			204.00			212.20
+ a per address charge - Price per address			25.50			26.50
FINANCE, PERFORMANCE, LEGAL AND GOVERNANCE						
Legal Services						
Copy Document – S106 Agreement: Bilateral Agreement or Unilateral Undertaking*			63.60			66.10
Copy Document – S106 Agreement: Supplemental Deed or Deed of Variation*			33.00			34.30
Copy Document – TPO*			33.00			34.30
Ex-Council House Consent			63.60			66.10
Ex-Council House Consent: Retrospective			94.00			97.80
Copy Document – Lease or Shared Ownership Lease			63.00			65.50
Copy Document – Enforcement Notices			18.80			19.60
Copy Document – Smoke Control Order			31.20			32.40
Ex-Council House Deed of Postponement			63.60			66.10
Ex-Council House Letter of Compliance			63.60			66.10
Leasehold Enquiries			94.00			97.80
* Standard turnaround for copies is 1-3 working days. However, if any of the above documents require expediting straight away, an additional £30.00 is added to each.						
Copy documents will be emailed out to customers where possible. A number of copy documents are available on the Council's publicly accessible registers and customers are requested to check these registers prior to making a request for a copy document. Where the Council has already scanned a copy document in and holds an electronic version that can be emailed to the customer, an administration charge of £15 will be made rather than the fee shown above.						
Electoral Register						
The Open Electoral Register can be purchased in either data or paper form:-						
Fee for data copy £20.00 plus £1.50 for every 1,000 entries or part thereof purchased						
Fee for paper copy £10.00 plus £5.00 for every 1,000 entries or part thereof purchased						
EXECUTIVE DIRECTOR						
Freedom of Information Request						
Freedom of Information and Environmental Information Regulation requests are charged for in just two cases:-						
- where the cost of answering the enquiry goes over £450; and						
- where there are costs for preparing the information e.g. printing, photocopying, postage, providing information in other formats (CD-ROM, audio cassette, translation)						
The time spent dealing with the above is calculated at £25 per hour.						
With the majority of requests the costs will be less than £450 and we will make no charge for the work involved.						
If however, the cost of dealing with your request goes over £450 we will contact you to discuss the information you have requested and the cost of providing it. If you still want the information in a format that is going to take the cost over that limit, then we will charge you the full amount.						
- Photocopying or printing material;						
- Postage;						
- Producing material in a different format when requested e.g. CD Rom, audio cassette;						
- Providing extracts of databases;						
- Translating the material into a different language where requested;						
- Allowing you to reasonable time to inspect a record containing the information (FOI only);						
- 10p per A4 sheet for printing or photocopying, black and white;						
- 20p per A3 sheet for printing or photocopying, black and white;						
- 92p per A4 sheet for printing or photocopying, colour;						
- £1.24 per A3 sheet for printing or photocopying, colour;						
- Postage costs - documents will be sent by second class mail unless specified otherwise;						
- Any costs involving staff time will be charged at £25 per hour.						
We can charge for these costs in all cases, whether or not we can also charge for the prescribed costs.						
If the total cost is less than £10, there is no charge.						

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**2022-23**Please e-mail with certification to: ndr.statistics@communities.gov.uk by no later than 31 January 2022.**All figures must be entered in whole £**

If you are content with your answers please return this form to DLUHC as soon as possible

Select your local authority's name from this list:

Rugby
Runnymede
Rushcliffe
Rushmoor
Rutland UA
Ryeedale

Authority Name
E-code
Local authority contact name
Local authority contact number
Local authority e-mail address

Rugby
E3733
Chryssa Burdett
01788 533495
chryssa.burdett@rugby.gov.uk

Ver 1.0

PART 1A: NON-DOMESTIC RATING INCOME

This section of the form uses entries from other parts to calculate the forecast net business rates income for the authority in 2022-23. Note that you still need to enter data for line 5 and line 9a, but otherwise it is all calculated. Also please note that Parts 1B and 1C are below.

COLLECTIBLE RATES

£

1. Net amount receivable from rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs and accounting adjustments **52,414,462**

TRANSITIONAL PROTECTION PAYMENTS

Not applicable in 2022-23 due to expired transitional scheme

2. Sums due to the authority **0**

3. Sums due from the authority **0**

COST OF COLLECTION (See Note A)

4. Cost of collection formula **134,018**

5. Legal costs **0**

6. Allowance for cost of collection **134,018**

SPECIAL AUTHORITY DEDUCTIONS

7. City of London Offset : Not applicable for your authority **0**

DISREGARDED AMOUNTS

8. Amounts retained in respect of Designated Areas **0**

9. Amounts retained in respect of Renewable Energy Schemes (see Note B) **79,872**

of which:

9a. sums retained by billing authority **79,872**

9b. sums retained by major precepting authority **0**

10. Amounts retained in respect of Shale Oil and Gas Sites Schemes (see Note C) **0**

NON-DOMESTIC RATING INCOME

11. Line 1 plus line 2, minus lines 3, 6 to 9 and 10 **52,200,572**

NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2022-23

Please e-mail with certification to: ndr.statistics@communities.gov.uk by no later than 31 January 2022.

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Local Authority : Rugby

Ver 1.0

PART 1B: PAYMENTS

This page is for information only; please do not amend any of the figures

The payments to be made, during the course of 2022-23 to:

- i) the Secretary of State in accordance with Regulation 4 of the Non-Domestic Rating (Rates Retention) Regulations 2013;
- ii) major precepting authorities in accordance with Regulations 5, 6 and 7; and to be
- iii) transferred by the billing authority from its Collection Fund to its General Fund,

are set out below

	Column 1 Central Government	Column 2 Rugby	Column 3 Warwickshire County Council	Column 4	Column 5 Total
Retained NDR shares	£	£	£	£	£
12. % of non-domestic rating income to be allocated to each authority in 2022-23	50%	40%	10%	0%	100%
Non-Domestic Rating Income for 2022-23					
13. Non-domestic rating income from rates retention scheme	26,100,286	20,880,229	5,220,057	0	52,200,572
14. (less) deductions from central share	0				0
15 TOTAL:	26,100,286	20,880,229	5,220,057	0	52,200,572
Other Income for 2022-23					
16. add: cost of collection allowance		134,018			134,018
17. add: amounts retained in respect of Designated Areas		0			0
18. add: amounts retained in respect of renewable energy schemes		79,872	0		79,872
19. add: amounts retained in respect of Shale oil and gas sites schemes		0	0	0	0
20. add: qualifying relief in Designated Areas		0	0	0	0
21. add: City of London Offset		0			0
22. add: in respect of Port of Bristol hereditament		0			0
Estimated Surplus/Deficit on Collection Fund	£	£	£	£	£
23. Surplus/Deficit at end of 2021-22 (+ive = surplus, -ive = deficit) (including adjustment for three year spread)	2,314,143	1,851,314	462,829	0	4,628,285
TOTAL FOR THE YEAR	£	£	£	£	£
24. Total amount due to authorities	28,414,429	22,945,433	5,682,886	0	57,042,747

NATIONAL NON-DOMESTIC RATES RETURN - NDR1

2022-23

Please e-mail with certification to: nldr.statistics@communities.gov.uk by no later than 31 January 2022.

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Local Authority : Rugby

Ver 1.0

PART 1C: SECTION 31 GRANT (See Note D)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements, 2020 and 2021 spending reviews, and 2017 (March and November), 2018 (October) and 2021 (October) Budgets

	Column 2 Rugby	Column 3 Warwickshire County Council	Column 4	Column 5 Total
	£	£	£	£
Adjustment Factor: 1.1				
Multiplier Cap				
25. Cost of cap on 2014-15, 2015-16 and post-2018-19 and freezing of 2021-22 and 2022-23 small business rates multipliers	2,142,215	533,513	0	2,675,728
Small Business Rate Relief				
26. Cost of doubling SBRR & threshold changes for 2022-23	1,070,220	267,555	0	1,337,775
26a. Additional compensation for loss of supplementary multiplier income	78,237	19,559	0	97,796
27. Cost to authorities of maintaining relief on "first" property	0	0	0	0
Rural Rate Relief				
28. Cost to authorities of providing 100% rural rate relief	3,380	845	0	4,225
2022/23 Transitional Relief and Supporting Small Business Scheme				
29. Cost to authorities of providing relief	36,799	9,200	0	45,999
Designated Areas qualifying relief in 100% business rates retention areas				
30. Cost to authorities of providing relief	0	0	0	0
Local newspaper relief				
31. Cost to authorities of providing relief	0	0	0	0
Public lavatories relief				
32. Cost to authorities of providing relief	1,783	446	0	2,229
Retail, Hospitality and Leisure relief				
33. Cost to authorities of providing relief	1,160,200	290,050	0	1,450,250
Freeports relief				
34. Cost to authorities of providing relief	0	0	0	0
TOTAL FOR THE YEAR				
35. Amount of Section 31 grant due to authorities to compensate for reliefs	4,492,834	1,121,168	0	5,614,002

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

This completed Excel form should be e-mailed to nldr.statistics@communities.gov.uk and any relevant precepting authorities by the Chief Financial / Section 151 Officer. The email should include the officer's electronic signature and the following statement:

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2022-23

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: RELIEFS AND NET RATES PAYABLE

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas) Complete this column £	Column 2 Designated areas Do not complete this column	Column 3 TOTAL (All BA Area) Do not complete this column £
GROSS RATES PAYABLE (All data should be entered as +ve unless specified otherwise) - see Note E			
1. Rateable Value at <input type="text" value="05/01/2022"/>	<input type="text" value="131,374,865"/>	<input type="text"/>	<input type="text" value="131,374,865"/>
2. Small business rating multiplier <input type="text" value="49.9"/> for 2022-23 (pence)			
3. Gross rates 2022-23 (RV x multiplier)	<input type="text" value="65,556,058"/>	<input type="text"/>	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	<input type="text" value="695,423"/>	<input type="text"/>	
5. Forecast gross rates payable in 2022-23	<input type="text" value="66,251,481"/>	<input type="text"/>	<input type="text" value="66,251,481"/>
TRANSITIONAL ARRANGEMENTS (See Note F)	Not applicable in 2022-23 due to expired transitional scheme		
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
7. Additional income received because reductions in rates have been deferred (Show as +ve)	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
8. Net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text"/>	
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	<input type="text" value="0"/>	<input type="text"/>	
10. Forecast net cost of transitional arrangements	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>
TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))			
11. Sum due to/(from) authority	<input type="text" value="0"/>	<input type="text"/>	<input type="text" value="0"/>

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2022-23

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: RELIEFS AND NET RATES PAYABLE

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)			
Small Business Rate Relief			
12. Forecast of relief to be provided in 2022-23	-3,467,791		-3,467,791
13. <i>of which:</i> relief on existing properties where a 2nd property is occupied	0		0
14. Additional yield from the small business supplement (Show as +ve)	1,376,587		1,376,587
15. Net cost of small business rate relief (line 12 + line 14)	-2,091,204		-2,091,204
Charitable occupation			
16. Forecast of relief to be provided in 2022-23	-3,559,924		-3,559,924
Community Amateur Sports Clubs (CASCs)			
17. Forecast of relief to be provided in 2022-23	-75,817		-75,817
Rural rate relief			
18. Forecast of relief to be provided in 2022-23	-7,667		-7,667
Public Lavatories relief (see note H)			
19. Forecast of relief to be provided in 2022-23	-4,045		-4,045
20. Forecast of mandatory reliefs to be provided in 2022-23 (Sum of lines 15 to 19)	-5,738,657		-5,738,657
21. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	0		0
22. Total forecast mandatory reliefs to be provided in 2022-23	-5,738,657		-5,738,657
UNOCCUPIED PROPERTY (See Note J) (All data should be entered as -ve unless specified otherwise)			
Partially occupied hereditaments			
23. Forecast of 'relief' to be provided in 2022-23	-200,000		-200,000
Empty premises			
24. Forecast of 'relief' to be provided in 2022-23	-1,792,424		-1,792,424
25. Forecast of unoccupied property 'relief' to be provided in 2022-23 (Line 23 + line 24)	-1,992,424		-1,992,424
26. Changes as a result of estimated growth/decline in unoccupied property 'relief'	0		0

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2022-23

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: RELIEFS AND NET RATES PAYABLE

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
(+ = decline, - = increase)			
27. Total forecast unoccupied property 'relief' to be provided in 2022-23	-1,992,424		-1,992,424

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2022-23

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: RELIEFS AND NET RATES PAYABLE

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
DISCRETIONARY RELIEFS (See Note K) (All data should be entered as -ve unless specified otherwise)			
Charitable occupation			
28. Forecast of relief to be provided in 2022-23	-109,439		-109,439
Non-profit making bodies			
29. Forecast of relief to be provided in 2022-23	0		0
Community Amateur Sports Clubs (CASCs)			
30. Forecast of relief to be provided in 2022-23	0		0
Rural shops etc			
31. Forecast of relief to be provided in 2022-23	0		0
Small rural businesses			
32. Forecast of relief to be provided in 2022-23	0		0
Other ratepayers (refer to guidance for further details)			
33. Forecast of relief to be provided in 2022-23	0		0
<i>of which:</i>	<i>of which:</i>		
34. Relief given to Case A hereditaments			
35. Relief given to Case B hereditaments	0		
36. Relief given to Freeports (see Note L)	0		
37. Forecast of discretionary relief to be provided in 2022-23 (Sum of lines 28 to 33)	-109,439		-109,439
38. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	0		
39. Total forecast discretionary relief to be provided in 2022-23	-109,439		-109,439

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2022-23

All figures must be entered in whole £

Note that any reliefs for the year 2022/23 announced after this form has gone out will be covered by future supplementary data collections

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 2: RELIEFS AND NET RATES PAYABLE

This section of the form is for you to enter the gross rates value and the amount of various business rates reliefs forecast for 2022-23. This will then calculate the forecast net rates payable. These values also populate the section 31 payment calculations in Part 1.

You should complete column 1 only

Column 1
**BA Area (exc.
Designated areas)**

Column 2
**Designated
areas**

Column 3
**TOTAL
(All BA Area)**

DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT

(See Note M) (All data should be entered as -ve unless specified otherwise)

Rural Rate Relief

40. Forecast of relief to be provided in 2022-23	-7,667		-7,667
--	--------	--	--------

2022/23 Transitional Relief and Supporting Small Business Scheme (see Note F)

41. Forecast of relief to be provided in 2022-23	-83,468		-83,468
--	---------	--	---------

Local newspaper relief

42. Forecast of relief to be provided in 2022-23	0		0
--	---	--	---

Retail, Hospitality and Leisure relief

43. Forecast of relief to be provided in 2022-23	-2,631,544		-2,631,544
--	------------	--	------------

44. Forecast of discretionary reliefs funded through S31 grant to be provided in 2022-23 (Sum of lines 40 to 43)	-2,722,679		-2,722,679
--	------------	--	------------

45. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	0		
--	---	--	--

46. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2022-23	-2,722,679		-2,722,679
---	-------------------	--	-------------------

NET RATES PAYABLE

47. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 55,688,282		£ 55,688,282
--	-----------------	--	-----------------

NATIONAL NON-DOMESTIC RATES RETURN - NDR1
2022-23

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS

Enter accounting adjustments in this section, which calculations will deduct from the net rates calculated from entries in Part 2.

You should complete column 1 only

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated Areas	Column 3 TOTAL (All BA Area)
	Complete this column	Do not complete this column	Do not complete this column
	£	£	£
NET RATES PAYABLE			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	55,688,282	0	55,688,282
(LESS) LOSSES (Data should be entered as -ive)			
2. Estimated bad debts in respect of 2022-23 rates payable	-160,000	0	-160,000
3. Estimated repayments in respect of 2022-23 rates payable	-3,113,820	0	-3,113,820
COLLECTABLE RATES			
4. Net Rates payable less losses	52,414,462	0	52,414,462
DISREGARDED AMOUNTS (Data should be entered as +ive)			
5. Renewable Energy	79,872	0	79,872
6. Shale oil and gas sites scheme (see Note C)	0	0	0
7. Transitional Protection Payment		0	
8. Baseline		0	
DISREGARDED AMOUNTS			
9. Total Disregarded Amounts		0	0
DESIGNATED AREAS IN 100% BRR AUTHORITIES			
10. Designated Areas Qualifying Relief: Not applicable	0	0	0
DEDUCTIONS FROM CENTRAL SHARE			
11. Designated Areas Qualifying Relief	0	0	0
Port of Bristol			
12. In respect of Port of Bristol: Not applicable	0		0
DEDUCTIONS FROM CENTRAL SHARE			
13. Total Deductions	0	0	0

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2022-23

All figures must be entered in whole £

If you are content with your answers please return this form to DLUHC as soon as possible

Ver 1.0

Local Authority : Rugby

PART 4: ESTIMATED COLLECTION FUND BALANCE

This section estimates the collection fund closing balance for the current year (*not* the forecast year otherwise referred to in this form). Please refer to guidance notes for details. Note that you can edit the blue-bordered cells, but you will be asked to provide a comment explaining why they are changed from the prepopulated figures.

OPENING BALANCE

1. Opening Balance (From Collection Fund Statement)	£	£
		-10,215,900

BUSINESS RATES CREDITS AND CHARGES

2. Business rates credited and charged to the Collection Fund in 2021-22 (enter as +ive)	£	£
	52,007,190	
3. Sums written off in excess of the allowance for non-collection (enter as -ive)	0	
4. Changes to the allowance for non-collection	-271,215	
5. Amounts charged against the provision for alteration of lists and appeals following RV list changes (enter as +ive)	2,868,526	
6. Changes to the provision for alteration of lists and appeals	-4,855,583	
7. Total business rates credits and charges (Total lines 2 to 6)		49,748,918

OTHER RATES RETENTION SCHEME CREDITS (enter as +ve)

8. Transitional protection payments received, or to be received in 2021-22	£	£
	0	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2021-22 in respect of a previous year's deficit	16,464,330	
11. Total Other Credits (Total lines 8 to 10)		16,464,330

OTHER RATES RETENTION SCHEME CHARGES (enter as -ve)

12. Transitional protection payments made, or to be made, in 2021-22	£	£
	-87,622	
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2021-22	-26,003,972	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2021-22	-5,200,794	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2021-22	-20,803,177	
16. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2021-22	-131,528	
17. Transfers/payments from the Collection Fund for end-year reconciliations	0	
18. Transfers/payments made from the Collection Fund in 2021-22 in respect of a previous year's surplus	0	
19. Total Other Charges (Total lines 12 to 18)		-52,227,093
20. Adjustment for 3 year spread (See Note N)		858,030

ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2021-22 - Surplus (positive), Deficit (Negative)

21. Opening balance plus total credits, less total charges, plus adjustment for three year spread (Total lines 1, 7, 11,19 & 20)	£	£
		4,628,285

APPORTIONMENT OF ESTIMATED SURPLUS / DEFICIT

	Column 1 Central Government	Column 2 Rugby	Column 3 Warwickshire County Council
22. % for distribution of prior year surplus/deficit (i.e. 2020-21)	50%	40%	10%
23. Total prior year surplus (+)/deficit (-)	3,124,215	2,499,372	624,843
of which:			
23a. Amount deferred (to be paid in 2023-24)	-429,015	-343,212	-85,803
23b. Amount to be paid in 2022-23	3,553,230	2,842,584	710,646
24. % for distribution of in-year surplus/deficit (i.e. 2021-22)	50%	40%	10%

25. In year surplus (+)/deficit (-)

-1,239,088

-991,270

-247,818

26. Total (total lines 23b and 25)

2,314,143

1,851,314

462,829

Appendix 06

Rugby Borough Council

Climate Change and Environmental Impact Assessment

TEMPLATE - SEPTEMBER 2021

CONTEXT

In 2019 the UK Parliament set a commitment in law to reach net zero carbon emissions by 2050. Achieving this target will require considerable effort with public bodies, private sector organisations, the third sector and individuals working together to take action. Rugby Borough Council declared a climate emergency in 2019, in doing so committed to:

- To move the Council's operations towards Carbon Neutrality by 2030.
- To establish action to tackle climate change as a key driver of all decision-making.
- To provide community leadership in reducing the impact of Climate Change.
- To take action to mitigate the impact of climate change on a Borough wide basis and beyond, through adaptation.

The Council's Corporate Strategy (2021-24) [link](#) sets ambitious outcomes in relation to Climate Change. These ambitions must now be progressed through the decisions which the Council makes.

It is therefore important that Rugby Borough Council gives due regard to climate change when making decisions. In the context of the Council's business, Climate Change includes carbon emissions, biodiversity, habitat loss and environmental destruction. When putting forward recommendations for decision, officers must assess how these recommendations are likely to influence our climate change commitments by completing the following Climate Change and Environmental Impact Assessment.

A copy of this Climate Change and Environmental Impact Assessment, including relevant data and information should be forwarded to the Deputy Executive Director.

If you require help, advice and support to complete the forms, please contact Dan Green, Deputy Executive Director.

SECTION 1: OVERVIEW

Portfolio and Service Area	All Portfolios
Policy/Service/Change being assessed	Council Tax Determination
Is this a new or existing Policy/Service/Change?	Existing
If existing policy/service please state date of last assessment	This is the first assessment based on the new policy
Ward Specific Impacts	All Wards
Summary of assessment Briefly summarise the policy/service/change and potential impacts.	This is an updated overview of the Council's General Fund revenue and capital budgets needs to be approved by Full Council as part of the budget setting process and to ensure its affordability. Which includes proposals for savings and income generation which require consideration for inclusion in the 2022/23 Final budgets and the medium term.
Completed By	Anton Cuscito, Tom Kittendorf and Dawn Lewis Ward
Authorised By	Jon Illingworth
Date of Assessment	February 2022

SECTION 2: IMPACT ASSESSMENT

Climate Change and Environmental Impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner	Timescales
Energy usage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Fleet usage	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Vehicles are one of the Council's biggest emitters of GHG. The current limitations of electric vehicles and charging provision mean that diesel vehicles will still be procured	Ongoing assessment of sustainable solutions such as low/ zero emission vehicles. Where low/ zero carbon options are available and suitable for the task required, they will be procured.	Anton Cuscito	Feb 23

					<p>Feasibility of other fuel sources which may reduce the Council's Carbon footprint will be continually assessed.</p> <p>Journeys must be delivered in the most efficient manner possible.</p> <p>Consideration must be given to the size of the Council's fleet, ensuring that it is reduced as appropriate</p>		
<p>Sustainable Transport/Travel (customers and staff)</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>To encourage more sustainable, active transport via walking and cycling by creating new, improve existing, and promote more strongly the path routes through our larger and connected parks and open spaces to offer residents more healthier lifestyles, benefiting physical & mental health and reducing obesity, air pollution & other environmental benefits. Due to the changing climate causing milder winters, increased rainfall, and heavy downpours has made our sites boggy, so such paths and SUDS (Sustainable Drainage) would ensure our sites remain safe, accessible to</p>			

				all for inclusivity and equality and form part of our Climate adaption. Creating and improving the path infrastructure through our parks and open spaces could be delivered relatively rapidly, would deliver a significant climate emergency response, and would be likely to prove popular and be supported by the public. The Government are also looking at alternative methods of transport as part of the build back better post pandemic recovery.			
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Community leadership	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Biodiversity and habitats	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Adaptation/Mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Impact on other providers/partners	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
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SECTION 3: REVIEW

Where a negative impact is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

Review date	February 2023
Key points to be considered through review	Will feed into the corporate climate strategy and the review of the Asset Management Strategy.
Person responsible for review	Anton Cuscito, Tom Kittendorf and Dawn Lewis Ward
Authorised by	Jon Illingworth

EQUALITY IMPACT ASSESSMENT (EqIA) - (Appendix 7)

Context

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

Equality Impact Assessment – Council Tax Determination

Service Area	Resources
Policy/Service being assessed	Council Tax Determination 2022/23
Is this is a new or existing policy/service?	Existing
If existing policy/service please state date of last assessment	February 2021
EqlA Review team – List of members	Jon Illingworth
Date of this assessment	12th February 2022
Signature of responsible officer (to be signed after the EqlA has been completed)	Jon Illingworth

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

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

Details of Strategy/ Service/ Policy to be analysed

<u>Stage 1 – Scoping and Defining</u>	
(1) Describe the main aims, objectives and purpose of the Strategy/Service/Policy (or decision)?	To determine the amount of Council Tax for the 2022/23 financial year
(2) How does it fit with Rugby Borough Council's Corporate priorities and your service area priorities?	It is a statutory requirement to set the Council Tax annually for the following financial year. The Council Tax is the most significant individual source of overall funding for the Council.
(3) What are the expected outcomes you are hoping to achieve?	To set an appropriate level of Council Tax for 2022/23 to enable a balanced budget to be achieved for the year.
(4) Does or will the policy or decision affect: <ul style="list-style-type: none"> • Customers • Employees • Wider community or groups 	All residents of the borough will be affected.
<u>Stage 2 - Information Gathering</u>	
	As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, e.g. service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).
(1) What does the information tell you about those groups identified?	N/A

<p>(2) Have you consulted or involved those groups that are likely to be affected by the strategy/ service/policy you want to implement? If yes, what were their views and how have their views influenced your decision?</p>	<p>There has been no formal consultation. However, there have been prior budget setting reports to Cabinet as part of the 2022/23 budget setting cycle. A total of three papers went to Cabinet in September, January and February. In addition, the announcement of the Local Government Finance Settlement 2022/23 will have informed the government financing for future years.</p>
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<p>(3) If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary.</p>	<p>N/A</p>
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Stage 3 – Analysis of impact

<p><u>(1)Protected Characteristics</u> From your data and consultations is there any positive, adverse or negative impact identified for any particular group, which could amount to discrimination? If yes, identify the groups and how they are affected.</p>	RACE	DISABILITY	GENDER
	MARRIAGE/CIVIL PARTNERSHIP	AGE	GENDER REASSIGNMENT
	RELIGION/BELIEF	PREGNANCY MATERNITY	SEXUAL ORIENTATION

<p><u>(2) Cross cutting themes</u></p> <p>(a) Are your proposals likely to impact on social inequalities e.g. child poverty, geographically disadvantaged communities? If yes, please explain how?</p> <p>(b) Are your proposals likely to impact on a carer who looks after older people or people with disabilities? If yes, please explain how?</p>	<p>No</p> <p>No</p>
<p>(3) If there is an adverse impact, can this be justified?</p>	<p>N/A</p>
<p>(4) What actions are going to be taken to reduce or eliminate negative or adverse impact? (this should form part of your action plan under Stage 4.)</p>	<p>N/A</p>
<p>(5) How does the strategy/service/policy contribute to the promotion of equality? If not what can be done?</p>	<p>All residents are affected by the Council Tax determination. Individual bills will be determined by the personal circumstances of each resident as well as where they live within the borough (e.g. single person discount, living in the town area or a parish etc.).</p>
<p>(6) How does the strategy/service/policy promote good relations between groups? If not what can be done?</p>	<p>N/A</p>
<p>(7) Are there any obvious barriers to accessing the service? If yes how can they be overcome?</p>	<p>N/A</p>

Stage 4 – Action Planning, Review & Monitoring

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

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

EqlA Action Plan

Action	Lead Officer	Date for completion	Resource requirements	Comments

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

Carry out a EqlA in February 2023 for 2023/24 Council Tax determination.

Please annotate your policy with the following statement:

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