

23 January 2020

## **CABINET – 3 FEBRUARY 2020**

A meeting of Cabinet will be held at 6.00pm on Monday 3 February 2020 in the Council Chamber, Town Hall, Rugby.

Adam Norburn  
Executive Director

### **A G E N D A**

#### **PART 1 – PUBLIC BUSINESS**

1. Minutes.

To confirm the minutes of the meeting held on 6 January 2020.

2. Apologies.

To receive apologies for absence from the meeting.

3. Declarations of Interest.

To receive declarations of –

(a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

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

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

4. Question Time.

Notice of questions from the public should be delivered in writing, by fax or e-mail to the Executive Director at least three clear working days prior to the meeting (no later than Tuesday 28 January 2020).

**Growth and Investment Portfolio**

Nothing to report to this meeting.

**Corporate Resources Portfolio**

5. Draft General Fund Revenue and Capital Budgets 2020/21 and Medium-Term Financial Plan 2020-24.

6. Finance and Performance Monitoring 2019/20 – Quarter 3.

**Communities and Homes Portfolio**

7. Draft Housing Revenue Account Capital & Revenue Budgets 2020/21 and Medium Term Financial Plan 2020-24

**Environment and Public Realm Portfolio**

8. RIPA (Regulation of Investigatory Powers Act 2000) Policy.

9. Climate Emergency Working Group.

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

10. Approval of National Non-Domestic Rates Return – NNDR1 2020/21.

11. Motion to Exclude the Public under Section 100(A)(4) of the Local Government Act 1972.

To consider the following resolution:

“under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of information defined in paragraphs 1 and 3 of Schedule 12A of the Act.”

**PART 2 – EXEMPT INFORMATION**

**Growth and Investment Portfolio**

Nothing to report to this meeting.

**Corporate Resources Portfolio**

Nothing to report to this meeting.

## **Communities and Homes Portfolio**

Nothing to report to this meeting.

## **Environment and Public Realm Portfolio**

Nothing to report to this meeting.

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

1. Write Offs.

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

The Reports of Officers are attached.

### **Membership of Cabinet:**

Councillors Lowe (Chairman), Mrs Crane, Poole, Roberts, Ms Robbins and Mrs Simpson-Vince.

### **CALL- IN PROCEDURES**

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

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

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

## Agenda No 5

### AGENDA MANAGEMENT SHEET

<b>Report Title:</b>	Draft General Fund Revenue & Capital Budgets 2020/21 and Medium Term Financial Plan 2020-24
<b>Name of Committee:</b>	Cabinet
<b>Date of Meeting:</b>	3 February 2020
<b>Report Director:</b>	Head of Corporate Resources and CFO
<b>Portfolio:</b>	Corporate Resources
<b>Ward Relevance:</b>	All Wards
<b>Prior Consultation:</b>	Cabinet 6 January 2020
<b>Contact Officer:</b>	Jon Illingworth – Financial Services Manager and Deputy Chief Financial Officer
<b>Public or Private:</b>	Public
<b>Report Subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	This report relates to the following priority(ies):
<b>(CR) Corporate Resources</b>	<input checked="" type="checkbox"/> To provide excellent, value for money services and sustainable growth
<b>(CH) Communities and Homes</b>	<input checked="" type="checkbox"/> Achieve financial self-sufficiency by 2020
<b>(EPR) Environment and Public Realm</b>	<input checked="" type="checkbox"/> Enable our residents to live healthy, independent lives
<b>(GI) Growth and Investment</b>	<input checked="" type="checkbox"/> Optimise income and identify new revenue opportunities (CR)
	<input checked="" type="checkbox"/> Prioritise use of resources to meet changing customer needs and demands (CR)
	<input checked="" type="checkbox"/> Ensure that the council works efficiently and effectively (CR)
	<input checked="" type="checkbox"/> Ensure residents have a home that works for them and is affordable (CH)
	<input checked="" type="checkbox"/> Deliver digitally-enabled services that residents can access (CH)
	<input checked="" type="checkbox"/> Understand our communities and enable people to take an active part in them (CH)
	<input checked="" type="checkbox"/> Enhance our local, open spaces to make them places where people want to be (EPR)

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

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

**Summary:** This is the fifth Draft Budget Report to include Capital and Treasury commitments for 2020/21 through to 2023/24.

**Financial Implications:** As detailed in the main report.

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

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

**Legal Implications:** The Medium Term Financial Strategy provides the foundations to allow the Council to meet its statutory obligations in accordance with Section 32 of the Local Government Finance Act and Section 25 of the Local Government Act 2003. The Council has a statutory requirement to set a budget for each financial year and approve the Medium Term Financial Strategy.

**Equality and Diversity:** The Council has had due regard to its Public Sector Equality Duty in accordance with the Equality Act 2010. There are no Equality and Diversity implications arising from this report. It may be necessary later in the budget process to carry out Equality Impact Assessments of the implications of any service changes.

**Recommendation:**

- (1) The prepayment of the Authority's pension liability, as identified as a key decision in section 6, be recommended to Council for approval;
- (2) the key decisions as seen in section 6 be considered to deliver a balanced budget for 2020/21;
- (3) the level of reserves at Appendix 9 be considered;
- (4) the proposed fees and charges for 2020/21, as set out at Appendix 10, with delegated responsibility to the Joint Committee for the Crematorium fees and charges, be considered and requested by Full Council to be approved; and
- (5) the updated draft General Fund Revenue and Capital Budget position for 2020/21 be considered alongside the Council's 2020-24 Medium Term Financial Plan. This is subject to any further changes following the announcement of the final settlement and recommend this to be considered by Full Council on 25 February 2020.

**Reasons for Recommendation:**

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

The report includes proposals for savings and income generation which require consideration for inclusion in the 2020/21 draft budgets and also the medium term.

**Cabinet - 3 February 2020**

**Draft General Fund Revenue & Capital Budget 2020/21 and Medium Term Financial Plan 2020-24**

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

**Recommendation**

- (1) The prepayment of the Authority's pension liability, as identified as a key decision in section 6, be recommended to Council for approval;
- (2) the key decisions as seen in section 6 be considered to deliver a balanced budget for 2020/21;
- (3) the level of reserves at Appendix 9 be considered;
- (4) the proposed fees and charges for 2020/21, as set out at Appendix 10, with delegated responsibility to the Joint Committee for the Crematorium fees and charges, be considered and requested by Full Council to be approved; and
- (5) the updated draft General Fund Revenue and Capital Budget position for 2020/21 be considered alongside the Council's 2020-24 Medium Term Financial Plan. This is subject to any further changes following the announcement of the final settlement and recommend this to be considered by Full Council on 25 February 2020.

**1. Introduction**

This is the fifth and final report to Cabinet from the Head of Corporate Resources in her capacity as the Council's Chief Financial Officer.

The previous budget reports presented to Cabinet provided an overview of the Council's financial position for 2020/21, taking into consideration the latest intelligence on the reform of the local government funding system.

The purpose of this report is to present a detailed updated draft General Fund revenue position (see section 5), a capital position (see section 8) for 2020/21 and onwards, plus an updated Medium Term Financial Plan (MTFP) (see section 9), since the report to Cabinet in January.

This report includes eleven appendices;

**Revenue**

- **Appendix 1** is a summary position for 2020/21 detailing the various changes made from the 2019/20 original budget
- **Appendix 2** identifies by service the proposed growth items for 2020/21

- **Appendix 3** identifies by service the proposed income increases (-) or shortfalls (+) for 2020/21
- **Appendix 4** identifies by service the proposed savings items for 2020/21
- **Appendix 5** Detail regarding the financial modelling assumptions made

#### **Capital**

- **Appendix 6** identifies the draft capital programme for 2020/21 onwards based on scheme proposals from budget officers, along with proposed funding splits, revenue implications, and a projection for capital receipts usage
- **Appendix 7** provides a more detailed appraisal of the draft capital programme for 2020/21 onwards

#### **Other**

- **Appendix 8** shows the initial Medium Term Financial Plan 2020-24.
- **Appendix 9** Reserves Forecast Summary of General Fund, Earmarked reserves and balances.
- **Appendix 10** Fees and charges schedule.
- **Appendix 11 a & b** Provisional Local Government Finance Settlement 2020/21 - Consultation and Council response.

## **2. Section 25- Statement of the Chief Financial Officer on the robustness of the budget estimates and the adequacy of the reserves**

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

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

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



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

The Head of Corporate Resources and Chief Financial Officer's opinion will be included within the report to Council on 25 February 2020, as part of the Council Tax determination.

### 3. Budget Context and Development

#### 3.1. Overview and Context

Since the spending review in 2015 Local Government has faced significant challenges through the impact of austerity alongside changes to funding methodology. The Council has successfully mitigated these through process and system efficiencies, alongside services taking a more commercial approach to delivering key priorities within the Borough.

The Council have successfully delivered a balanced budget each year through effective planning, management and forward thinking.

- (£5.400m) - has been delivered through savings and increased income over the last five years which has not led to any reduction in service delivery and incorporated the key decision to introduce a charge for garden waste collections.
- £5.600m - inflationary and service pressures over the last five years through increased demand for services.
- Services have enabled growth and prosperity within the Borough providing future reassurance of financial self-sufficiency and sustainability of services for the public.
- The anticipated funding changes ahead have been considered and part mitigated through the continued contribution to the Business Rates equalisation reserve which is £2.481m for 2020/21.

This is all in the climate of reduced government funding totalling £2.200m since 2016/17 which has been mitigated through increased Business Rates and Council Tax income.

The initial budget report to Cabinet in October presented a draft 2020/21 budget showing a deficit of approximately £0.762m which moved to a balanced position in December. Table 1 provides the details of the main changes since January included within the Final Budget Report.

Main Changes - 2020/21	£000s
<b>January 2020 Report</b>	<b>0</b>
Additional grant income to fund existing costs within CAST Team	(40)
Increased deficit for Business Rates Collection Fund based on December 2019 data	63
One off transfer from Business Rates Reserve to finance Collection Fund change	(63)
Adjustment to 2020/21 Business rates income based on December 2019 data	369
Reduction of contribution to Business Rates Reserve	(369)
Prepayment – Key Decision - net saving in pension liability (paragraph 6.4)	(65)
Removal of Voluntary Redundancy key decision saving target	40
Reduction to income expectation following initial scoping work	33
Other Minor changes	32
<b>Updated position February 2020</b>	<b>0</b>

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

The 2020-24 Medium Term Financial Plan has also been revised to reflect the inclusion of the additional key decisions. This has been summarised in section 9 of this report and highlights a current savings target of a cumulative £2.992m over the final 3 years of the plan.

Appendices 2, 3 and 4 provides more detail around the proposals identified to deliver a balanced budget.

### **3.2. The Local Government Finance Settlement 2020/21**

The government published the provisional Local Government Finance Settlement for 2020/21 on 20 December 2019 with the final settlement expected mid to late February.

The content of the provisional settlement is not significantly different from the Technical Consultation paper that was published in October 2019. All budget assumptions for 2020/21 have been based on the consultation paper so there are no material changes to report.

The key elements in the 2020/21 provisional settlement are:

#### **Council Tax**

- Core principle of a maximum increase of 1.99% in Band D. Shire district councils can increase their Band D council tax by the higher of 1.99% or £5.

#### **Business Rates Retention Scheme**

- There was no indication within the settlement regarding a further allocation from the “Levy Account”. An announcement is still expected over the coming weeks and the amount to be distributed will be included in the 2020/21 Final Settlement.

#### **New Homes Bonus (NHB)**

- There is an allocation for 2020/21 but it will not attract any legacy payments in future years.
- The government has made it clear that it wants to replace NHB. However, any replacement is unlikely to distribute as much funding as the current scheme does or be distributed in the same way.

It is discouraging to see the maximum increase in Council Tax of 2.99% being reduced to 1.99% or £5 for Shire districts and the proposed ending of the New Homes Bonus scheme, which to date has supported the increased service demand on the Council resulting from the increase in growth of the Borough.

This feedback has been shared with Rugby's MP, Mark Pawsey and the Council has formally responded to the Provisional Local Government Finance Settlement 2020/21 consultation. A copy of the consultation document is attached at 11a, Rugby's response is attached at Appendix 11b.

## 4. Funding Update

### 4.1. Financial Modelling Assumptions

As reported previously, there are several risks that the Council faces due to the forthcoming funding reform, the most significant are:

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

This uncertainty makes financial planning for 2021/22 and beyond extremely challenging, as even the smallest of changes to one of the many variables can result in very different outcomes. If all three came into effect, cumulatively the potential losses aggregate to a sizable financial loss, however this is not considered a realistic scenario and it is expected that there will be transitional protection built into the system to prevent authorities from losing more than a set amount each financial year.

The current assumptions result in the following significant changes in funding for 2021/22 and beyond:

- **New Homes Bonus.** There will be no further rewards for housing growth beyond 2020/21. NHB tapers out over the next 3 years and income reduces from £2.382m in 2020/21 to £0.112m in 2023/24. The impact to 2021/22 sees a reduction of £1.303m of this grant. Over the period of the MTFP this is a reduction of £10.596m
- **Business Rates.** Following the reset in 2021/22 it is assumed that there will be a significant reduction in the proportion of growth the authority retains. Total growth reduction in 2021/22 is £2.939m
- **Council Tax.** The tax base is continuing to increase with an expected growth of 3.3% in 2020/21 and an average of 2.5% over the medium term. The financial impact of this growth with a £5 increase applied each year results in Council Tax baseline income rising from £8.395m in 2020/21 to £9.604m in 2023/24.

Appendix 5 provides a more detailed analysis of our financial modelling assumptions

## 5. Final Draft Budget Summary

- 5.1. Below is a summary of portfolio budgets to show the growth, income and savings assumptions used in the setting of the 2020/21 budget. Full details are provided in appendices 1-4

Summary of Portfolio Budgets	2019/20 Original Budget £000s	Other £000s	Growth £000s	Income £000s	Savings £000s	Key Decision £000s	2020/21 Proposed Budget £000s
<b>Appendices</b>			<b>1 &amp; 2</b>	<b>3</b>	<b>4</b>		
Growth & Investment	2,886	(44)	57	(148)	0	150	2,901
Corporate Resources	970	62	41	(12)	(33)	(150)	878
Environment and Public Realm	6,921	142	481	(270)	(122)	0	7,152
Communities and Homes	2,269	(4)	75	(163)	(202)	0	1,975
Executive Director's	1,963	109	2	23	(20)	(8)	2,069
<b>Total</b>	<b>15,009</b>	<b>265</b>	<b>656</b>	<b>(570)</b>	<b>(377)</b>	<b>(8)</b>	<b>14,975</b>

Table 2 – Summary of portfolio budgets

The income and savings proposals identified in appendices 3 and 4 require a savings delivery plan in order to document how values will be achieved. The risk of this not being in place is that with no approved plan there is no certainty around the delivery of the target. Officers, with the support of Financial Services, will produce detailed action plans for achievement and the delivery of the savings will be reported as part of the financial and performance reporting for 2020/21. Failure to deliver the savings identified in this schedule may require that the shortfall is funded from the balance of General Fund balances. The impact of this will be that the balance of reserves is reduced for future risks and will potentially be lower than the value identified in the reserve risk assessment that was reported to Cabinet in January. In addition to this, the deficit for 2021/22 will be increased adding pressure to the achievement of the MTFP.

## 5.2. Corporate Adjustments – Portfolio Budgets

The total Portfolio corporate adjustments reported within Appendix 1 total (£0.234m) which is largely due to reimbursement to the General Fund, resulting from changes in internal recharges applied to the Housing Revenue Account.

## 5.3. Fees and Charges

The Council approved Medium Term Financial Strategy assumes that fees and charges will be reviewed annually and as a default be increased by inflation. However, there are some exceptions which include;

- Fees set nationally by government – therefore not within the authority's control
- Fees which are set over a longer period and realigned to cover cost alongside reassessment through benchmarking and market prices
- Where prices were increased in excess of inflation in previous years it has been proposed that they are held for 2020/21
- In some instances, officers have proposed to hold or reduce prices in order to remain competitive in the market

The fees and charges for the trade waste service have not been published in the schedule due to the commercially sensitive nature of the activity.

Included within the schedule are new fees for preapplication following the introduction of this new service charging for major planning schemes, the benefits include;

- Saving time and resources for both applicants and the Council
- To provide support in the completion of planning applications.
- Speeds up the validation process

Appendix 10 provides details of the proposed new fees.

#### **5.4. Net Cost of Borrowing (NCOB)**

Budgets for Net Cost of Borrowing reflect the latest interest rate forecasts provided by our treasury advisors, Link Asset Services for the period 2020 to 2022. Bank Rate is anticipated to rise to 1.00% by December 2020, and to 1.25% by June 2021. No further rate rises are forecast prior to March 2022. Amounts available for investment reflect available cash-backed General Fund and HRA balances, reserves and receipts forecast elsewhere in this report and in the HRA budget setting documents elsewhere on this agenda. Borrowing requirements reflect the forecast General Fund Capital Financing Requirement (CFR) which tracks capital expenditure not financed from other sources, net of MRP, each year.

#### **5.5. Other Significant Items**

The section below sets out the other significant income and expenditure items included in the draft 2020/21 budget.

- £0.008m - proposals listed within the key decisions (table 3)
- £0.440m - set aside for Revenue Contributions for Capital Outlay (RCCO)
- £0.088m – is held within corporate budgets to mitigate the risk of a pay award which is in excess of the 2% assumed in portfolio service budgets. This will be distributed when the final settlement is confirmed.
- £0.517m - budgeted to be transferred into the business rates equalisation reserve to help mitigate the anticipated reduction in funding from business rates reset and fair funding in future years.
- £0.734m - one off contribution from the business rates equalisation reserve to offset the estimated collection fund deficit in 2020/21.

#### **5.6. Outturn 2019/20**

The Quarter 3 Finance and Performance Report presented to Cabinet elsewhere on the agenda reports an in year balanced position. This includes;

- £0.094m - Reduced income from Car Parking
- £0.084m - Pressures within Waste
- £0.025m - Consultancy costs within Property Services
- (£0.142m) - Reduced costs for temporary accommodation. Following the introduction of the Housing Acquisitions Fund, the Council has acquired 14 properties to date with a further 15 at conveyancing stage. The increase in available property to support long term sustainable tenancies has seen a reduction in placements in inappropriate and expensive B & B accommodation, falling from 31 in June 2018 to 2 as at December 2019. In addition, there has been no expenditure required on Nightly Self-Contained Accommodation – leasing of properties on a spot purchase basis.
- (£0.061m) - Other net variances

In addition, the Corporate Savings target has successfully delivered £0.343m of in year savings.

## 6. Key Decisions

As explained above, the 2020/21 draft budget is currently in a balanced position. However, this position includes estimated financial implications that relate to a number of key policy decisions that have been produced and presented by officers for Members' consideration in order to reduce the budget deficit.

These proposed policy changes, their possible financial implications and stage of development are set out in table 3 below.

Summary of key decisions considered for 2020/21	£000s
<b>Growth Items</b>	
Continuation of contribution to the Town Centre Improvement Budget into 2020/21 including the funding for the continuation of the free town centre weekend and evening parking (£0.100m)	150
<b>Savings</b>	
Voluntary redundancy (Reported to Cabinet November)	(50)
Voluntary redundancy adjustment	50
Cease funding member broadband and landlines	(8)
Prepayment of Pension Liability through the Actuary for the period 2020/21 to 2022/23 (with a cash saving of £65,000 after cost of borrowing requirement - see paragraph 6.4)	(150)
<b>Grand total</b>	<b>(8)</b>

Table 3 – Key Decisions for consideration

The key decisions in the table above have all been factored into the budget for 2020/21 and are included within the balanced budget. Table 3 has been broken down into two sections:

- **Growth items** – Are additional costs for the year. If the decision is made not to pursue either scheme the budget will be reduced accordingly.
- **Savings** – 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.

### 6.1. Continuation of contribution to the town centre improvement budget / Free evening and weekend parking in the town centre car parks

At budget setting in 2017/18 it was announced as part of the Conservative Resolution that (£0.150m) generated through additional Business Rates from Elliott's Field would be used toward town centre improvements. The continuation of the contribution has been an annual key decision and formed part of the 2019/20 Budget Resolution submitted for the annual Council Tax meeting on 26 February 2019.

The Budget Resolution in 2019 included the commitment to provide free weekend car parking in the town centre for the financial year 2019/20. The impact of this reduced income was financed through the town centre improvement budget to support increased footfall in the town centre. It is proposed that for a further 12 months, whilst the town centre masterplan and a car parking strategy is developed, this offer is continued. As happened in 2019/20, it is proposed that this £0.100m reduction in income will be financed from the town centre improvement budget.

## **6.2. Voluntary Redundancies plus reduced hours**

Senior Management Team invited staff to express an interest in voluntary redundancy or reducing their hours. It is now confirmed that there will not be any voluntary redundancies as a result of this invitation. Therefore, the savings target has been removed from the key decisions table.

## **6.3. Member broadband & landlines allowance**

Within the 2019/20 budget there is £8,000 set aside to contribute to the cost incurred by Members for broadband & landlines. The recent Members' Allowance review considered the option to not continue this commitment.

## **6.4. Prepayment of Pension Liability**

The employer's contributions to the Warwickshire Pension fund are calculated on a triennial basis with the next three years contribution rate to be implemented from April 2020. As part of the valuation process the members of the pool have been exploring the option to generate savings as well as continue to increase the funding of the scheme. Hymann Robertson LLP in their role as actuary to the fund, have given the pool members the option to pay a 3-year lump payment of the expected pension contributions rather than pay monthly instalments. As a result of this and subject to approval from Council, an estimated settlement of £7.990m could realise a gross saving of £0.451m over a three-year period (assumed £0.150m per year).

Based on current interest rates, the proposed return from this investment is greater than what we would expect from the Authority's existing investment portfolio. The payment of the sum however, will impact upon the expected investment return achieved by the authority through adjusting cash flows. Income that was previously earmarked for investments will need to be used to fund this and as a result of this the loss of investment income would equate to an estimated £0.085m per year. This will achieve an estimated net saving of (£0.065m) per year for three years.

This is subject to the final actuary valuation confirmation. This will be provided following budget setting and any variation will be reported as part of the budget monitoring process during 2020/21.

## **7. Reserve balances**

As part of the annual budget setting process an assessment of the required level of reserves is undertaken, taking account of the potential future financial risks faced by the Council. It is considered prudent to hold sufficient reserves and balances to give the Council the ability to smooth out peaks in expenditure and troughs in income and funding over the medium term. Thus, allowing short term contributions towards balancing the budget and giving the Council time to plan service changes and further efficiencies.

A detailed Risk Assessment of reserves was reported in January 2020 and this has been factored into the proposed level of reserves for 2020/21 and future years as seen in Appendix 9.

The level of reserves will continue to be monitored with a further update to be included in the final outturn report for 2019/20.

## 8. Draft Portfolio Capital Budgets

Appendices 6 and 7 shows the draft position for the 2020/21 capital programme and onwards. As can be seen, the total capital programme proposed for 2020/21 (excluding proposed carry-forward budgets from previous years) is £2.199m. Excluding grants and other contributions, this leaves a net £1.144m of expenditure to be financed in 2020/21.

General Fund capital receipts are forecast to be £1.888m at the beginning of financial year 2020/21. As noted in previous years it is not considered prudent to allow overall General Fund capital receipts to be depleted, as this will subject the Council to interest rate risks in future years and in emergency situations. In other words, it maintains the stability currently provided by retaining a reasonable level of capital receipts as any future borrowing would have to be undertaken at the interest rates available in the market at the time.

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

In addition, the Prudential Code for Capital Finance in Local Authorities has also been updated by the Chartered Institute of Public Finance and Accountancy (CIPFA). The code sets out that in order to demonstrate that an authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Capital Strategy, including the Treasury Management Strategy for 2020/21 will be presented to Audit and Ethics Committee for scrutiny on 28 January 2020 with recommendations to Council on 25 February 2020.

The additional revenue financing implications of this draft programme for 2020/21 to 2023/24 upon future years are as follows:

	2020/21 £'000	2021/22 £'000	2023/24 £'000
Additional Minimum Revenue Provision (MRP)	88	128	121
Additional Interest Costs	27	34	34
<b>Total</b>	<b>115</b>	<b>162</b>	<b>155</b>
<b>Cumulative Effect</b>		<b>277</b>	<b>432</b>

Table 4 – MRP Forecast

As noted in Appendix 5, additional allocations from New Homes Bonus as revenue contributions to capital outlay (RCCO) to reduce the reliance on borrowing to finance the General Fund capital programme for 2020/21 and beyond have now been removed as a consequence of the likely phasing out of payments.

For the 2020/21 draft General Fund revenue budget total MRP is estimated at £1.594m (2019/20 £1.552m) resulting from historical borrowing and the additional borrowing undertaken to finance the 2019/20 capital programme as approved by Council in February 2019.



## 9. Medium Term Financial Plan 2020-2024

Appendix 8 shows a forecast position for the next 4 financial years with a **balanced budget** for 2020/21.

BASE BUDGET bf including Corporate Adj.	2020/21 £ 000's	Full Reset		
		2021/22 £ 000's	2022/23 £ 000's	2023/24 £ 000's
	16,506	17,432	13,464	13,816
Growth Requirements	1,139	542	551	710
Other Corporate Adjustments	300	(193)	28	(212)
Savings and Income	(1,007)	(345)	23	0
Key Decisions	(8)	0	0	0
<b>Savings to be Found</b>	<b>0</b>	<b>(1,711)</b>	<b>(538)</b>	<b>(743)</b>
Movement in Reserves	502	(2,261)	288	50
<b>Revised Budget Requirement</b>	<b>17,432</b>	<b>13,464</b>	<b>13,816</b>	<b>13,621</b>
<b>Financed by;</b>				
Government Funding	(2,638)	(1,310)	(968)	(299)
Council Tax	(8,476)	(8,775)	(9,180)	(9,604)
Business Rates including Damping	(6,318)	(3,379)	(3,668)	(3,718)
Collection Fund Surplus/Deficit BRR	734	0	0	0
Transfer from BRR reserve	(734)	0	0	0
<b>Total Funding Requirement</b>	<b>(17,432)</b>	<b>(13,464)</b>	<b>(13,816)</b>	<b>(13,621)</b>
<b>Net Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 5 – Medium Term Financial Plan 2020/21 to 2023/24

Beyond 2020/21, the MTFP shows further budget variances that need to be addressed with the most significant savings target being in 2021/22. This MTFP has been presented on the assumption that the Council will see the impact of a full reset which reports a cumulative deficit of approximately £2.992m across the four years MTFP.

Table 5 shows the changes when compared with the previous year. The key movements presented in the MTFP can be explained as follows:

- Increased funding in Council Tax at a rate of £5 over the medium term.
- Increased contribution to the Business Rates Equalisation Reserve for the excess growth in Business Rates Funding, above sustainable funding levels in 2020/21.
- Additional funding anticipated, over and above the MTFP reported in February 2019 for New Homes Bonus is transferred to RCCO for 2020/21 only, with a total budget of £0.440m. In addition to the impact of anticipated changes to NHB resulting in no further contributions post 2020/21.
- The estimated revenue savings generated from the introduction of the proposed Materials Recycling Facility in 2022/23.
- The three-year cash saving through the prepayment pension proposal will not be available in 2023/24 therefore the budgeted £0.150m will be reversed.
- The Corporate items include the necessary adjustments to the Minimum Revenue Provision and Net Cost of Borrowing.

Other major assumptions within the MTFP:

- The adverse impact of potential changes to New Homes Bonus in 2021/22
- Release of the budgeted contribution from the Business Rates Equalisation Reserve of (£2.020m) to part mitigate the impact of the business rates reset and fair funding review 2021/22.
- The estimated adverse impact of changes in government funding resulting from the fair funding review and business rates baseline reset in 2020/21.
- Continued Corporate Savings target of (£0.343m.)
- Salary budgets amended to reflect 2.5% pay awards applied in each year of the MTFP.

## **10. Process review for MTFP and MTFS**

As reported in January, it is proposed that in the lead up to the budget setting process for 2021/22 a review and redesign of the process will take place which will include the consideration of a rolling three-year budget setting process. This will include setting up a working group which will include the Financial Services Manager, Senior Management Team and also elected members. The current Medium Term Financial Strategy covers the period 2018-2023; due to the expected significant changes in local government funding, this will be updated following the announcement of the next Spending Round which is expected during 2020.

## **11. Conclusion**

If all of the proposals included in this report are approved by Members, the budget for 2020/21 is now in balance compared to the funding available. It needs to be noted that, further significant savings still need to be identified in order to deliver a balanced budget across the medium term. In particular, the high level of uncertainty around retained Business Rates and the potential for a reset of the system presents a considerable risk to the Council's finances from 2021/22 onwards.

**Name of Meeting:** Cabinet

**Date of Meeting:** 3 February 2020

**Subject Matter:** Draft General Fund Revenue and Capital Budget 2020/21

**Originating Department:** Corporate Resources

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

**LIST OF BACKGROUND PAPERS**

<b>Doc No</b>	<b>Title of Document and Hyperlink</b>
	Update on General Fund budget setting 2020/21 – Cabinet 6 January 2020
	Update on General Fund budget setting 2020/21 - Cabinet 5 December 2019
	Draft General Fund Revenue and Capital Budget 2020/21 – Cabinet 4 November 2019
	Update on the Draft Budget 2020/21 – Cabinet 7 October 2019

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

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Exempt information is contained in the following documents:

<b>Doc No</b>	<b>Relevant Paragraph of Schedule 12A</b>

Draft General Fund Revenue Summary 2020/21	2019/20 Original Budget £000s	In Year Adjustments £000s	2019/20 Revised Budget £000s	Corporate Adjustments £000s	Total Inflation £000s	Salary Adjustments £000s	Proposed Growth Items (Appendix 2) £000s	Proposed Income Adjustments (Appendix 3) £000s	Savings (Appendix 4) and Key Decisions £000s	2020/21 Draft Budget £000s
<b>EXPENDITURE:</b>										
Growth & Investment	2,886	(154)	2,732	(16)	5	126	52	(148)	0	2,751
Corporate Resources	970	0	970	10	26	52	15	(12)	(33)	1,028
Environment & Public Realm	6,921	(0)	6,921	(19)	50	161	431	(270)	(122)	7,152
Communities & Homes	2,269	0	2,269	(46)	0	42	75	(163)	(202)	1,975
Executive Director's Office	1,964	0	1,964	94	0	14	2	23	(20)	2,077
Key Decisions	0	0	0	0	0	0	0	0	(8)	(8)
Corporate Items	(21)	0	(21)	0	0	88	0	0	(60)	7
<b>PORTFOLIO EXPENDITURE</b>	<b>14,989</b>	<b>(154)</b>	<b>14,835</b>	<b>23</b>	<b>81</b>	<b>483</b>	<b>575</b>	<b>(570)</b>	<b>(445)</b>	<b>14,982</b>
Less Capital Charge Adjustment	(2,693)	0	(2,693)	(74)	0	0	0	0	0	(2,766)
Less Corporate Savings Target (including salary voids)	(300)	0	(300)	0	0	0	0	0	0	(300)
Less Pension Adjustment	(328)	0	(328)	(29)	0	0	0	0	0	(357)
<b>NET PORTFOLIO EXPENDITURE</b>	<b>11,668</b>	<b>(154)</b>	<b>11,514</b>	<b>(80)</b>	<b>81</b>	<b>483</b>	<b>575</b>	<b>(570)</b>	<b>(445)</b>	<b>11,559</b>
Net Cost of Borrowing	297	0	297	18	0	0	0	0	0	315
Minimum Revenue Provision (MRP)	1,552	0	1,552	42	0	0	0	0	0	1,594
Investment Income	0	0	0	(50)	0	0	0	0	0	(50)
Revenue Contribution to Capital Outlay	199	0	199	241	0	0	0	0	0	440
Negative Revenue Support Grant / Business Rates Tariff Adjustment	0	0	0	0	0	0	0	0	0	0
Contribution to Business Rate Equalisation Reserve	1,964	0	1,964	517	0	0	0	0	0	2,481
Contribution to Reserves & Balances	256	0	256	(15)	0	0	0	0	0	241
<b>TOTAL EXPENDITURE (before Parish Precepts)</b>	<b>15,936</b>	<b>(154)</b>	<b>15,782</b>	<b>674</b>	<b>81</b>	<b>483</b>	<b>575</b>	<b>(570)</b>	<b>(445)</b>	<b>16,580</b>
Parish Council Precepts and Council Tax Support	804	0	804	49	0	0	0	0	0	853
<b>TOTAL EXPENDITURE</b>	<b>16,740</b>	<b>(154)</b>	<b>16,586</b>	<b>723</b>	<b>81</b>	<b>483</b>	<b>575</b>	<b>(570)</b>	<b>(445)</b>	<b>17,432</b>
<b>INCOME:</b>										
Retained Business Rates	(6,269)	0	(6,269)	(49)	0	0	0	0	0	(6,318)
Retained Business Rates - Collection Fund (Surplus)/Deficit	126	0	126	608	0	0	0	0	0	734
New Homes Bonus Funding	(2,141)	0	(2,141)	(241)	0	0	0	0	0	(2,382)
Government Grants	(321)	0	(321)	65	0	0	0	0	0	(256)
Council Tax	(7,914)	0	(7,914)	(481)	0	0	0	0	0	(8,395)
Council Tax - Empty Property	(66)	0	(66)	66	0	0	0	0	0	0
Council Tax - Collection Fund (Surplus)/Deficit	(29)	0	(29)	(52)	0	0	0	0	0	(81)
Contribution from Reserves & Balances	(126)	0	(126)	(608)	0	0	0	0	0	(734)
<b>TOTAL INCOME</b>	<b>(16,740)</b>	<b>0</b>	<b>(16,740)</b>	<b>(692)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17,432)</b>
<b>VARIANCE ON BUDGET</b>	<b>(0)</b>	<b>(154)</b>	<b>(154)</b>	<b>31</b>	<b>81</b>	<b>483</b>	<b>575</b>	<b>(570)</b>	<b>(445)</b>	<b>(0)</b>

## 2020/21 Growth Adjustments

Portfolio Description	Service Line Description	Cost Centre Description	Growth £000	Proposal Detail	Corresponding savings/income proposal Y / N	Reference
Communities & Homes	Community Grants	CL Grants	9	To allocate grants funded through income generated through the RBC Lotto	Y - C&H1	C&HG1
	<b>Total Community Grants</b>		<b>9</b>			
Communities & Homes	Customer & Information Services	ITC & Support Services	10	For software maintenance cost associated with the Disaster Recovery System	N	C&HG2
Communities & Homes	Customer & Information Services	Maintenance of Customer Services Systems	33	For software maintenance cost associated with the Financial Management System	N	C&HG3
	<b>Total Customer &amp; Information Services</b>		<b>43</b>			
Communities & Homes	Warwickshire Direct Partnership	Warwickshire On Line Partnership	20	Required following a move to a single instance database following the reduction in technical support	N	C&HG4
	<b>Total Warwickshire Direct Partnership</b>		<b>20</b>			
Communities & Homes	Minor Growth Proposals within Communities & Homes		3	Increased budget requested for various services across the Communities & Homes portfolio including items such as utilities, agency and vehicle running costs	N	C&HG5
	<b>Total Communities &amp; Homes</b>		<b>75</b>			
Corporate Resources	Handyperson Service	The Handyperson Service	10	This reflects the net cost of providing the Handyperson Service	Y	CRG1
	<b>Total Handyperson Service</b>		<b>10</b>			
	Minor Growth with Corporate Resources		5	Small increases across a number of services for items such as professional subscriptions and service subscriptions	N	CRG2
	<b>Total Corporate Resources</b>		<b>15</b>			
Environment & Public Realm	Crematorium	Crematorium	5	To match the historic costs of Gas usage	N	E&PRG1
Environment & Public Realm	Crematorium	Crematorium	5	To allow the service to build reserve to fund future service requirements	N	E&PRG2
	<b>Total Crematorium</b>		<b>10</b>			
Environment & Public Realm	Miscellaneous Highways Services	Street Furniture	10	On going maintenance budget required for Car Park surface works	N	E&PRG3
	<b>Total Miscellaneous Highways Services</b>		<b>10</b>			
Environment & Public Realm	Parks, Recreation Grounds & Open Spaces	Parks	20	Increase in contractor budget following review of service requirements	N	E&PRG4
Environment & Public Realm	Parks, Recreation Grounds & Open Spaces	Parks	10	Increase in contractor budget following review of service requirements	N	E&PRG5
	<b>Total Parks, Recreation Grounds &amp; Open Spaces</b>		<b>30</b>			
Environment & Public Realm	Safety & Resilience	Safety and Resilience	8	In relation to salaries following service review	N	E&PRG6
	<b>Total Safety &amp; Resilience</b>		<b>8</b>			
Environment & Public Realm	Trade Waste/Recycling	Trade Waste Collection	41	New Trade Waste Officer post as approved by Cabinet September 2019	Y - E&PR18	E&PRG7
Environment & Public Realm	Trade Waste/Recycling	Trade Waste Collection	143	Increased Landfill tax to be paid to WCC based on an updated calculation method for Commercial Waste service	Y - E&PR110	E&PRG8
	<b>Total Trade Waste/Recycling</b>		<b>184</b>			
Environment & Public Realm	WSU Vehicle Workshop	Garage	25	Removal of vehicle savings budget following service review	N	E&PRG9
	<b>Total WSU Vehicle Workshop</b>		<b>25</b>			
Environment & Public Realm	Waste Collection & Recycling	Domestic Waste Collection/Recycling	79	Additional refuse posts following non delivery of 2019/20 kerbside collection key decision	N	E&PRG10
Environment & Public Realm	Waste Collection & Recycling	Domestic Waste Collection/Recycling	22	Increase in agency budget to meet service requirements to cover sickness and holidays	N	E&PRG11
Environment & Public Realm	Waste Collection & Recycling	Domestic Waste Collection/Recycling	19	Increase in fuel budget following non delivery of 2019/20 of kerbside collection key decision	N	E&PRG12
Environment & Public Realm	Waste Collection & Recycling	Domestic Waste Collection/Recycling	25	Increased budget for the Recycling Gate Fee following an adjustment for the current contract	N	E&PRG13
	<b>Total Waste Collection &amp; Recycling</b>		<b>145</b>			
	Minor Growth Proposals within Environment & Public Realm		20	Increased budget requested for various services across the Environment & Public Realm portfolio including items such as utilities, agency and vehicle running costs	N	E&PRG14
	<b>Total Environment &amp; Public Realm</b>		<b>431</b>			
Executive Director's Office	Civic Responsibilities	Civic Responsibilities	2	Budget required to cover the increased costs associated with Remembrance Sunday	N	EDG1
	<b>Total Civic Responsibilities</b>		<b>2</b>			
	<b>Total Executive Director's Office</b>		<b>2</b>			
Growth & Investment	Economic Development	Development Strategy	36	In relation to finance sub regional plan evidence	Y - G&I12	G&IG1
	<b>Total Economic Development</b>		<b>36</b>			
Growth & Investment	Planning Services	Planning General/Income	16	To cover additional Legal costs for Planning Appeals	Y - G&I12	G&IG2
	<b>Total Planning Services</b>		<b>16</b>			
	<b>Total Growth &amp; Investment</b>		<b>52</b>			
	<b>Overall Total Growth Proposals</b>		<b>575</b>			

## 2020/21 Income Adjustments

## Appendix 3

Portfolio Description	Service Line Description	Income £	Proposal Detail	Corresponding Growth? Y / N (Y = Total growth offset)	RAG rating	Financial Risk Assessment	Reference
Communities & Homes	Community Grants	(7)	Increased income funded through the Rugby Lotto will be distributed and given as grants	Y - C&HG1		Low risk as if not delivered there will be no redistribution as grants within the Borough	C&H1
	<b>Total Community Grants</b>	<b>(7)</b>					
Communities & Homes	Community Advice and Support Team	(40)	Grant income to offset the costs of Homeless Outreach Worker	N		Low risk as saving has already been confirmed through the procurement process	C&HS2
	<b>Total Community Advice and Support Team</b>	<b>(40)</b>					
Communities & Homes	Customer & Information Services	(39)	Increased income budget following review of charges for Street Naming and Numbering	N		Low risk as forecast based on modelling included in the Cabinet report (24 June 2019)	C&H2
	<b>Total Customer &amp; Information Services</b>	<b>(39)</b>					
Communities & Homes	WTHEIP - Warwickshire Together Homelessness Early Intervention Project	(38)	Grant contribution from reserve	N		Medium risk as based on demand growth in the service	C&H3
	<b>Total Welfare Services (Private Lifelines)</b>	<b>(38)</b>					
Communities & Homes	Welfare Services (Private Lifelines)	(40)	Estimated growth in Lifeline provision already included in the Medium Term Financial Plan	N		Medium risk as based on demand growth in the service	C&H3
	<b>Total Welfare Services (Private Lifelines)</b>	<b>(40)</b>					
Minor Income Adjustments within Communities & Homes		1		N		Low risk as multiple minor targets	C&H4
<b>Total Communities &amp; Homes</b>		<b>(163)</b>					
Corporate Resources	Handyperson Service	(10)	Income generated from commercialisation of service	Y - CRG1		Low risk linked to increased cost	CRG1
	<b>Total Resources</b>	<b>(10)</b>					
Corporate Resources	Corporate Property Management	(2)	Increase reflects the expected level of income for this year	N		Low risk as minor increase	CR1
	<b>Total Corporate Property Management</b>	<b>(2)</b>					
	<b>Total Corporate Resources</b>	<b>(12)</b>					
Environment & Public Realm	Car Parks & Parking	41	Realignment of income following review of income trends over previous years	N		High risk as the income target is reducing as a result of this proposal. This includes the continuation of free weekend and evening town centre car parking	E&PR1
	<b>Total Car Parks &amp; Parking</b>	<b>41</b>					
Environment & Public Realm	Crematorium	(16)	Increased income due to the % change in no service cremations. Based on 950 cremations with 7% no service.	N		Medium risk as based on expected service growth	E&PR2
	<b>Total Crematorium</b>	<b>(16)</b>					
Environment & Public Realm	WSU Depot	(8)	Realignment of income following review of income trends	N		Medium risk associated with growth forecasts being achieved	E&PR4
	<b>Total WSU Depot</b>	<b>(8)</b>					
Environment & Public Realm	Parks, Recreation Grounds & Open Spaces	(5)	Previously unbudgeted income expectation for the Caldecott Park Café	N		Low risk as based on current tender process	E&PR5
	Parks, Recreation Grounds & Open Spaces	6	Reduction in income budget following cessation of an external contract for Ground Maintenance works	N		High risk as the income target is reducing as a result of this proposal	E&PR6
	<b>Total Parks, Recreation Grounds &amp; Open Spaces</b>	<b>1</b>					
Environment & Public Realm	Regulatory Services	37	Cessation of the investigative fly tipping contracts with other Local Authorities	N		High risk as the income target is reducing as a result of this proposal	E&PR7
	<b>Total Regulatory Services</b>	<b>37</b>					
Environment & Public Realm	Trade Waste/Recycling	(76)	Anticipated increase in Trade Waste income	Y - E&PRG8		Medium risk based on price changes and increasing market share	E&PR8
	Trade Waste/Recycling	(31)	Fees and Charges review 2020/21	N		Medium risk based on price changes and increasing market share	E&PR9
	<b>Total Trade Waste/Recycling</b>	<b>(154)</b>	Increased commercialisation of Trade waste	Y - E&PRG8		High risk - assumed commercialisation will offset the additional cost of the service as per the changes in the landfill tax. Action plan for delivery is still to be established	E&PR10
Environment & Public Realm	Waste Collection & Recycling	(26)	Recycling Credits assumed CPI and adjust for current tonnage	N		Medium risk based on growth forecast	E&PR11
	Waste Collection & Recycling	(22)	Anticipated increase in garden waste subscription income due to growth in the borough	N		Medium risk based on growth forecast	E&PR12
	<b>Total Waste Collection &amp; Recycling</b>	<b>(48)</b>					
Minor Income Adjustments within Environment & Public Realm		(16)	Minor increases to income across the portfolio mainly due to fees and charges increases	N		Low risk as multiple minor targets	E&PR13
<b>Total Environment &amp; Public Realm</b>		<b>(270)</b>					
Executive Director's Office	Electoral Registration	23	Reduction of income following cessation of the grant issued by the Cabinet Office	N		Low risk as corresponding spend relating to the funding has also reduced	EO1
	<b>Total Electoral Registration</b>	<b>23</b>					
	<b>Total Executive Director's Office</b>	<b>23</b>					
Growth & Investment	The Benn Hall	(12)	Increased income on sales throughout the Benn Hall	N		Medium risk as dependent on customer activity	G&I1
	<b>Total The Benn Hall</b>	<b>(12)</b>					
Growth & Investment	Planning Services	(52)	Increased Planning income based on expected demand through adoption on the local plan	Y - G&I/2		Medium risk as dependent on customer activity	G&I2
	<b>Total Planning Services</b>	<b>(52)</b>					
Growth & Investment	Sports & Recreation - Management	(17)	reduction of the direct costs funded by the authority through grant funding and commercialisation	N		High risk but action plan for delivery will be established, could be lead in time issues for 2020/21. Linked to the proposed funding officer role in the portfolio	G&I3
	Sports & Recreation - On Track Service	(27)	50% reduction of the direct costs funded by the authority through grant funding and commercialisation	N		High risk but action plan for delivery will be established, could be lead in time issues for 2020/21. Linked to the proposed funding officer role in the portfolio	G&I4
	Sports & Recreation - Sports Development	(20)	50% reduction of the direct costs funded by the authority through grant funding and commercialisation	N		High risk but action plan for delivery will be established, could be lead in time issues for 2020/21. Linked to the proposed funding officer role in the portfolio	G&I5
Growth & Investment	Sports & Recreation - Play Rangers	(20)	50% reduction of the direct costs funded by the authority through grant funding and commercialisation	N		High risk but action plan for delivery will be established, could be lead in time issues for 2020/21. Linked to the proposed funding officer role in the portfolio	G&I6
	<b>Total Sports &amp; Recreation</b>	<b>(84)</b>					
	<b>Total Growth &amp; Investment</b>	<b>(148)</b>					
<b>Overall Total Income Proposals</b>		<b>(570)</b>					

## Key for risk

High risk	Difficult to implement, high risk for delivery in year, delivery plans still to be established
Medium risk	Some challenges to implement in the timeframe
Low risk	Low risk in terms of implementation and delivery

2020/21 Saving Adjustments

ing Ac	Portfolio	Portfolio Description	Service Line Description	Savings Adjustment £	Proposal Detail	Corresponding savings/income proposal Y / N	RAG rating	Financial Risk Assessmet	Reference
Gener	COMM	Communities & Homes	Cast Team	(140)	Stretched saving linked to Housing Acquisition Fund Proposal approved in 2019/20 for the medium term	N	Yellow	Medium risk due to potential acceleration of Rounds Gardens	C&HS1
			<b>Total Cast Team</b>	<b>(140)</b>					
Gener	COMM	Communities & Homes	Customer and Information Services	(47)	Reduction in costs for software maintenance and crisis funding based upon current expenditure and estimated requirements	N	Green	Low risk as saving has already been confirmed through the procurement process	C&HS2
			<b>Total Customer and Information Services</b>	<b>(47)</b>					
Gener	COMM	Communities & Homes	Central Telephone Service	(15)	Savings found through procurement of a new supplier	N	Green	Low risk as saving has already been confirmed through the procurement process	C&HS2
			<b>Total Central Telephone Service</b>	<b>(15)</b>					
			<b>Total Communities &amp; Homes</b>	<b>(202)</b>					
Gener	CORPR	Corporate Resources	Resources	(20)	Agency staff budget no longer required	N	Yellow	Medium risk as use of agency will need to be managed	CRS1
			<b>Total Resources</b>	<b>(20)</b>					
Gener	CORPR	Corporate Resources	Retired Employees/Unapportionable	(6)	Reduces over time as people leave the pension scheme	N	Green	Medium risk as based on employee turnover	CRS2
			<b>Total Retired Employees/Unapportionable</b>	<b>(6)</b>					
Gener	CORPR	Corporate Resources	To be apportioned	(7)	Growth Proposals less than £25,000 will be met from efficiencies or increased commercialisation within services - to be realigned to services within future budget papers and small savings across the portfolio for items such as Window Cleaning and Agency Costs	Y - See growth proposals	Yellow	Medium risk as proposals still being developed, but minor value	CRS4
			<b>Total Corporate Resources</b>	<b>(33)</b>					
Gener	ENV	Environment & Public Realm	Car Parks & Parking	(5)	Budget no longer required for consultancy following service review	N	Green	Low risk due to ending of requirement for consultancy support	E&PRS1
			<b>Total Car Parks &amp; Parking</b>	<b>(5)</b>					
Gener	ENV	Environment & Public Realm	Miscellaneous Highways Services	(6)	Budget reduced based on historical spend and on going requirements.	N	Green	Low risk due to nature of savings identified	E&PRS2
			<b>Total Miscellaneous Highways Services</b>	<b>(6)</b>					
Gener	ENV	Environment & Public Realm	Land Drainage	(9)	Budget reduced based on historical spend.	N	Green	Low risk due to nature of savings identified	E&PRS3
			<b>Total Land Drainage</b>	<b>(9)</b>					
Gener	ENV	Environment & Public Realm	Licensing	(33)	Restructure of Licensing team, including introduction of trainee post	N	Green	Low risk as based on staffing forecast for 2020/21	E&PRS4
			<b>Total Licensing</b>	<b>(33)</b>					
Gener	ENV	Environment & Public Realm	Regulatory Services	(5)	Airways Radio software no longer needed	N	Green	Low risk due to nature of savings identified	E&PRS5
Gener	ENV	Environment & Public Realm	Regulatory Services	(8)	Reduction due to review of historic spend and on-going requirements	N	Green	Low risk due to nature of savings identified	E&PRS6
			<b>Total Regulatory Services</b>	<b>(13)</b>					
Gener	ENV	Environment & Public Realm	WSU Vehicle Workshop	(24)	Qualified post replaced with Trainee post	N	Green	Low risk due to nature of savings identified	E&PRS7
			<b>Total WSU Vehicle Workshop</b>	<b>(24)</b>					
		Environment & Public Realm	Other Minor Savings	(18)	Minor savings across the portfolio for items such as Vehicle Running Costs and Personal Protective Clothing	N	Green	Low risk due to nature of savings identified	E&PRS8
		Environment & Public Realm	To be apportioned	(14)	Growth Proposals less than £25,000 will be met from efficiencies or increased commercialisation within services - to be realigned to services within future budget papers	Y - See growth proposals	Yellow	Medium risk as proposals still being developed, but minor value	E&PRS9
			<b>Total Environment &amp; Public Realm</b>	<b>(122)</b>					
Gener	EXEC	Executive Director's Office	Communication	(16)	Following historic spend the budget to be reduced on Publicity & Marketing	N	Green	Low risk due to nature of savings identified	G&S1
			<b>Total Communication</b>	<b>(16)</b>					
Gener	EXEC	Executive Director's Office	Electoral Registration	(4)	Savings found through new ways of working through service redesign	N	Green	Low risk due to nature of savings identified	G&S2
			<b>Total Electoral Registration</b>	<b>(4)</b>					
			<b>Total Executive Director's Office</b>	<b>(20)</b>					
		Corporate Item	To be apportioned	(60)	Efficiencies generated through the implementation of digitalisation solutions - Re-profiled from previous years	N	Yellow	Medium risk which could result from non cashable savings	CIS1
			<b>Total Corporate Items</b>	<b>(60)</b>					
			<b>Total Savings</b>	<b>(437)</b>					

Key for risk	
High risk	Difficult to implement, high risk for delivery in year, delivery plans still to be established
Medium risk	Some challenges to implement in the timeframe
Low risk	Low risk in terms of implementation and delivery

## Financial Modelling Assumptions

As reported previously, there are several risks that the Council faces due to the forthcoming funding reform, the most significant are:

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

This uncertainty makes financial planning for 2021/22 and beyond extremely challenging, as even the smallest of changes to one of the many variables can result in very different outcomes. If all three came in to affect, cumulatively the potential losses aggregate to a sizable financial loss, however this is not considered as a realistic scenario and it is expected that there will be transitional protection built into the system to prevent authorities from losing more than a set amount each financial year.

Chart 1 shows a range of different financial outcomes that might arise for Rugby Borough Council across the medium term.

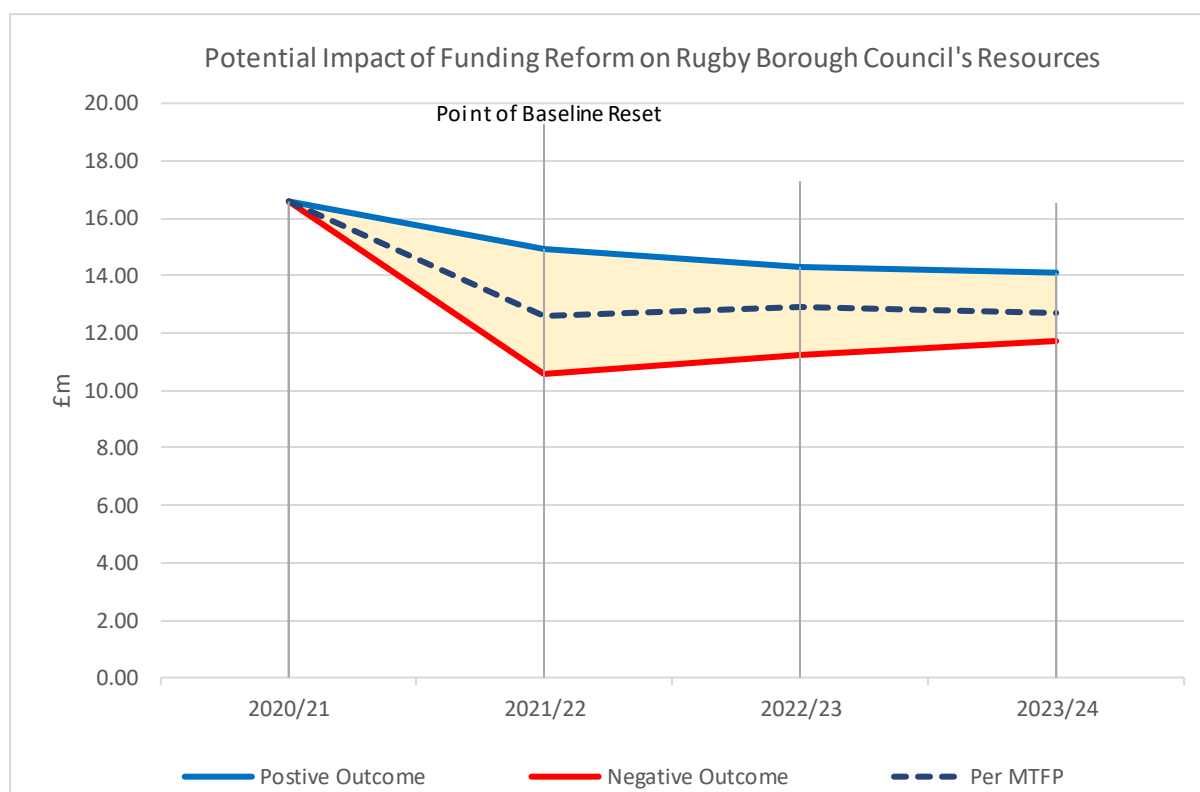


Chart 1 – Estimated Impact of Funding Reform



The dotted blue line represents the funding position, as per the Council's MTFP assumptions within this report. It shows that during the early stages of the MTFP, the Council's funding does drop from £16.5m (excluding Parish precepts) to £12.6m between 2020/21 and 2021/22. However, later into MTFP the Council again begins to benefit from growth in the business rates funding increases to the £13m position by 2023/24.

The red line presents a scenario where a negative or unfavourable outcome from the funding reform is delivered, but where there is no transitional protection in place. Under such a scenario, the Council would see its deeper reductions in its resources reduce from approximately £16.5m to £12m between 2020/21 and 2023/24. This would represent a £4.8m or 29% reduction in total resources.

The solid blue line presents a scenario where a positive or favourable outcome from the funding reform is delivered for Rugby Borough Council. In such a scenario the Council's funding reduction is smoothed over the medium term through transitional funding and assumes that there will be some continuation of funding to replace the changes expected in the NHB grant. The Council would see its reductions in resources reduce from £16.5m to £14.5m in the longer-term.

The following key variables have been adjusted to produce this model. RBC current assumptions are based on the latest intelligence from our external funding advisors.

Variable	RBC Assumptions as at Feb 2019	Positive Outcome	Negative Outcome	RBC Current Assumptions
Existing Growth Retained at initial reset	0%	0%	0%	0%
S31 Grants – Multiplier Cap	Removed	Removed	Removed	Removed
Business Rates Levy applied	20% threshold	20% threshold	20% threshold	20% threshold
Impact of Fair Funding Review	No change	No change	Loss of £1m from our assessment	No change
Future of New Homes Bonus	No change	No change in 2020/21. Replacement scheme in place from 2021/22.	Ends in 2020/21	No change in 2020/21. Legacy Payments phasing out from 2021/22.
Transitional 'damping' protection	10% limit on reduction in resources	10% limit on reduction in resources	No damping	No damping

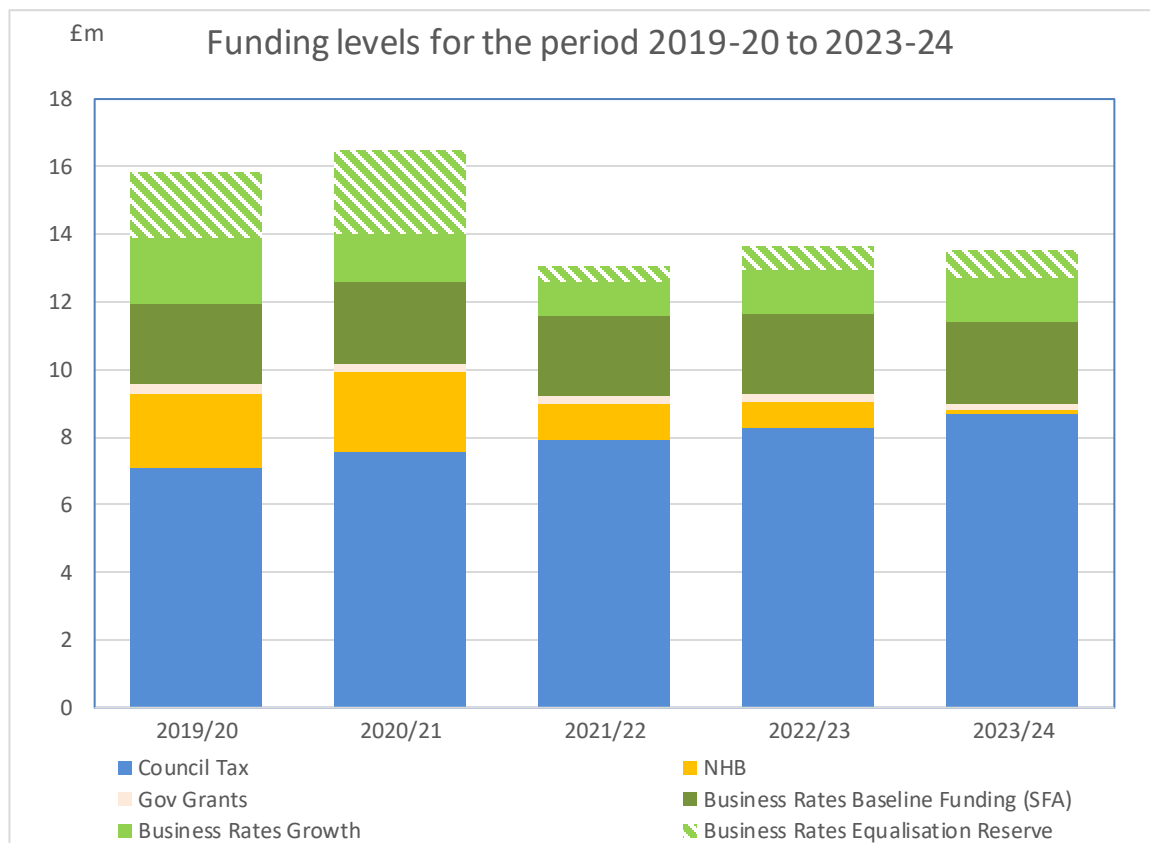
*Table 1 – Financial Modelling Assumptions*

## 1. Future Funding Levels

The austere times for the sector has created many challenges and required us to plan carefully to manage any potential risk of a cliff edge reduction in funding. We have achieved this through budget planning and adapting our uncertain funding streams to create more certainty within this unstable financial environment.

As part of the 2018-2023 Medium Term Financial Strategy, any additional business rates growth above the sustainable baseline level have been transferred to the Business Rates Equalisation Reserve (BRER) to help mitigate the anticipated cliff edge from the business rates reset and the fair funding review, which is now scheduled for 2021/22.

The chart below illustrates how the Council has continued to set a budget which is closer to the anticipated future funding levels.



**Chart 2 – Funding Levels for the period 2019/20 to 2023/24**

In 2019/20 it has been assumed that the business rates income of £6.318m will be generated, of which £1.964m was budgeted to be transferred to the BRER Reserve. This policy to smooth the impact of funding reductions continues into 2020/21 resulting in a potential reserve contribution of a further £0.517m. In 2021/22 it is forecast that a total of £2.020m will be released to part mitigate the funding impact of the reset. See Appendix 8.

## 2. Business Rates

The main financial risk the Council faces remains to be the reset of the current Business Rates Retention System (BRRS). Resetting the system will redistribute the business rates growth generated since 2013/14, the point at which the retained rates system was introduced.

It was confirmed in the 2020/21 spending round published in September 2019 that there will be no baseline reset in 2020/21. This means the BRRS effectively rolls forward unchanged for another year resulting in the continued benefit of retained growth above the baseline to be transferred into the BRER. Consequently, the BRER will see a further contribution of £2.4m in 2020/21.

The baseline reset will now take place in 2021/22. On this basis, the following table provides our most up to date Business Rates estimates.

January Forecast – Full Reset	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
A full reset in 2021/22 based on 2020/21 data	(6.318)	(3.379)	(3.668)	(3.718)
Reported in February 2019 MTFP	(3.987)	(3.347)	(3.420)	(3.492)
Movement	(2.331)	(0.032)	(0.248)	(0.226)

**Table 2 – Comparison of Business Rates February 2019 Vs January 2020 Reports – full reset**

The movement from the February 2019 MTFP can be explained by the following:

- The baseline reset has been postponed until 2021/22 which means we continue to retain any growth generated in 2020/21.
- The latest business rates modelling has removed the levy in 2021/22 in its current form.

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

Detailed Business Rates funding - Full Reset	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Settlement Funding Assessment (SFA)	(2.418)	(2.349)	(2.372)	(2.396)
Sustainable baseline Business rates growth above the SFA funding level	(0.500)	(0.569)	(0.546)	(0.522)
Business rates growth above the sustainable baseline	(3.200)	(0.461)	(0.750)	(0.800)
Business rates pooling dividend	(0.200)	0	0	0
Total Retained Income	(6.318)	(3.379)	(3.668)	(3.718)

**Table 3 – Detailed Business Rates Funding - Full Reset**

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

As reported previously, the full impact and outcome of the Fair Funding Review may not be known until Autumn 2020. Consequently, there are 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.

Table 3 shows that;

- SFA income across the MTFP is assumed to remain relatively flat, at an average £2.384m. As previously reported, the Fair Funding Review will be focussing on this area of funding for all authorities which presents a risk to the Council if the assessment of needs is reduced.
- Following the reset it is assumed that there will be a significant reduction in the proportion of growth that the authority retains. With total growth dropping from £3.700m in 2020/21 to £1.030m in 2021/22 and an overall business rates funding level to assume a baseline of £2.9m for future years.
- The Council continues to contribute to the BRER with business rates growth above the sustainable baseline.

In addition, the Draft Budget proposed for 2020/21 includes a collection fund deficit of £0.734m which will be offset against a transfer from the BRER.

### 3. New Homes Bonus (NHB)

The Provisional Local Government Finance Settlement (LGFS) has announced that 2020/21 is the final full year of NHB allocations. There will be no legacy payments on these new allocations, but the government will make legacy payments on allocations made in earlier years which are due to be paid in 2020/21.

The table below provides the NHB figure for 2020/21 and future years over the Medium Term. This shows the pace NHB will taper out by the end of 2023/24. The calculation is based on the annual Council Tax Base (CTB1) Return data. There is a decrease in 2020/21 NHB income compared to the forecast reported to Cabinet in February 2019.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
NHB Forecasts per February 2019	(2.425)	(3.264)	(4.286)	(4.954)
Revised NHB Per CTB1 Return	(2.382)	(1.079)	(0.760)	(0.112)
Decrease in NHB Income	0.043	2.185	3.526	4.842

*Table 4 – New Homes Bonus Forecast*

The government has made it clear that it wants to replace NHB. However, any replacement is unlikely to distribute as much funding as the current scheme does or be distributed in the same way.

The Council agreed in the 2018-23 Medium Term Financial Strategy to taper its reliance on NHB grant income within the core income budget, in order to achieve financial self-sufficiency. Any additional allocations over and above the reported figures have been transferred and ringfenced for Revenue Contributions to Capital Outlay (RCCO) to reduce the reliance on borrowing to finance the General Fund capital programme. In the current MTFP contributions were projected to rise from £0.285m in 2020/21 to £1.022m in 2022/23. However, with the significant risk to the future of this grant this will not only mean that contributions will not be made but will also adversely impact the ability to deliver the Council’s desire to achieve financial self-sufficiency by 2020.

The adverse financial impact on MRP and Net Cost of Borrowing (NCoB) is as follows:

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2023/24 £'000
Removal of NHB funding Impact on MRP & NCoB	0	0	98	173

*Table 5 – Financial impact of changes to NHB on MRP and NCOB arising from reduced RCCO compared with MTFP Feb. 2019*

Beyond 2023/24, NHB contributions would effectively have been able to finance the entire annual capital programme and make Voluntary Revenue Payments (VRP), that is additional payments over and above its scheduled debt repayment. Allowing for this the Council would have eliminated its underlying debt for the General Fund by 2032. Without these contributions the debt financing schedule falls back to its original timeframe of 2052.

#### **4. Council Tax**

The maximum increase in “core” Band D will be 1.99% in 2020/21. This is lower than the maximum threshold in the two previous years (2.99% in 2018/19 and 2019/20). The provisional settlement confirmed that shire districts have the flexibility of (1.99% in 2020/21) or £5, whichever is greater. 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 Band D equivalent council tax is multiplied by the Tax Base each year to determine the level of Council Tax income included in Appendix 1.

The 2020/21 Tax Base, expressed as a Band D equivalent, has been calculated as 38,735.24. This compares to 37,479.74 in 2019/20 and is an actual increase of 3.3%.

The table below provides the Tax Base for 2020/21 and the forecast for future years over the Medium Term.

	2020/21	2021/22	2022/23	2023/24
Tax Base	38,735.24	39,568.24	40,483.24	41,443.24
Band D Equivalent				
% Increase	3.3%	2.2%	2.3%	2.4%

**Table 6 – Summary of Council Tax Base across the MTFP**

## General Fund Capital Programme 2020/21 and Onwards

Head of Service	Score	Portfolio / Scheme Name	Capital						Revenue Implications					
			Gross Expenditure			External Contributions / Earmarked Reserves / Revenue Contributions		Internal Resources		Running Costs		Estimated Interest costs		Minimum Revenue Provision
			2020/21	2021/22	2022/23	2020/21	Future Years	2020/21	Future Years	2020/21*	Full Year	2020/21*	Full Year	2021/22
			1	2	3	4	5	6	7	8	9	10	11	12
			£	£	£	£	£	£	£	£	£	£		
		<b>Growth &amp; Investment</b>	0	0	0	0	0	0	0	0	0	0		
		<b>Communities &amp; Homes</b>												
RC		ICT Refresh Programme - Desktop	111,000	100,500	85,000	111,000	0	0	185,500	0	0	0	0	
RC		ICT Refresh Programme - Infrastructure	130,000	95,000	102,000	130,000	0	0	197,000	0	0	0	0	
RC		ICT Refresh Programme - AV Equipment	7,500	7,500	7,500	7,500	0	0	15,000	0	0	0	0	
RC		ICT - Automated Chatbot & AI	20,000	20,000	20,000	20,000	0	0	40,000	3,750	7,500	0	0	
AN		Legal Case Management System	17,020	0	0	17,020	0	0	0	0	2,810	0	0	
RC		Disabled Facilities Grants	662,120	662,120	662,120	632,120	1,264,240	30,000	60,000	0	0	380	750	
			947,640	885,120	876,620	917,640	1,264,240	30,000	497,500	3,750	10,310	380	750	
		<b>Environment &amp; Public Realm</b>												
DG		Vehicle Replacement <sup>1</sup>	400,000	400,000	400,000	0	0	400,000	800,000	0	0	5,000	10,000	
DG		Open Spaces Refurbishments - Glaramara Close Play Area	150,000	150,000	150,000	50,000	100,000	100,000	200,000	0	0	1,250	2,500	
DG		Open Spaces Refurbishments - Safety Improvements	50,000	50,000	50,000	0	0	50,000	100,000	0	0	630	1,250	
DG		Open Spaces Refurbishments - Street Furniture	40,000	40,000	40,000	0	0	40,000	80,000	0	0	500	1,000	
DG		Memorial Safety	30,000	30,000	30,000	0	0	30,000	60,000	0	0	380	750	
DG		Great Central Way Bridge Repairs	0	165,000	165,000	0	0	0	330,000	8,000	16,000	0	0	
DG		Brownsover Car Park	70,000	0	0	0	0	70,000	0	0	0	880	1,750	
DG		Purchase of Waste Bins <sup>2</sup>	87,500	87,500	87,500	87,500	175,000	0	0	0	0	0	0	
			827,500	922,500	922,500	137,500	275,000	690,000	1,570,000	8,000	16,000	8,640	17,250	
		<b>Corporate Resources</b>												
MK		Corporate Property Enhancement	424,030	340,000	340,000	0	0	424,030	680,000	0	0	5,300	10,600	
			424,030	340,000	340,000	0	0	424,030	680,000	0	0	5,300	10,600	
		<b>Total Draft General Fund Capital Programme</b>	<b>2,199,170</b>	<b>2,147,620</b>	<b>2,139,120</b>	<b>1,055,140</b>	<b>1,539,240</b>	<b>1,144,030</b>	<b>2,747,500</b>	<b>11,750</b>	<b>26,310</b>	<b>14,320</b>	<b>28,600</b>	
													<b>88,470</b>	

<sup>1</sup> Vehicle replacement programme under review<sup>2</sup> To be financed via S106 developer contributions / direct revenue contributions.

\* Half year is included

**General Fund Draft Capital Programme 2020/21 & Onwards**

**Capital Appraisal Information**

<b>Portfolio</b>
<b>Capital Scheme</b>
<b>Gross Budget Requirement 2020/21 - 2022/23</b>
<b>External Funding</b>
<b>RBC Funding 2020/21 - 2022/23</b>
<b>Budget Officer</b>
<b>Strategic Case:</b> Outline relevant national and local policies and strategies
<b>Commercial Case:</b> Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place
<b>Financial Case:</b> Outline the capital and revenue costs / savings over the life span of the project
<b>Management Case:</b> Outline the governance, plans, and resources that are in place for successful implementation.

<b>Communities &amp; Homes</b>
<b>ICT Refresh Programme - Desktop</b>
<b>£296,500</b>
<b>£0</b>
<b>£296,500</b>
<b>Raj Chand</b>
The Desktop provision is made up of: * Client devices, such as Laptops, PCs and Terminals; * Server services that directly relate to desktop provisioning.  The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the desktop across all financial years.  Drivers for updating the desktop provision are: * To ensure that the authority is running on fit for purpose equipment; * to replace aging equipment before it fails and impacts service delivery; * and, in line with PSN requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version.  If the authority is to retain PSN Code of Connection IT equipment must be fully supported and updated. Failing to comply would leave us open to security breaches and the associated fines that they would incur.
Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733.
ICT desktop has an estimated asset life of five years. The 2020/21 scheme is funded via revenue contribution. Subsequent years have minium revenue provision (MRP) impications of £20,100 pa (2021/22) and £17,000 pa (2022/23)
The IT service employ an industry standard programme management technique for desktop replacement.

<b>Communities &amp; Homes</b>
<b>ICT Refresh Programme - Infrastructure</b>
<b>£327,000</b>
<b>£0</b>
<b>£327,000</b>
<b>Raj Chand</b>
The IT infrastructure provision is made up of: * Physical and Virtual Servers; * Storage Area Networks; *Network Switches, Routers & WIFI; *Firewalls and Backup and Business Continuity solutions. The Council has adopted a rolling refresh programme that spreads the cost and effort of updating the infrastructure across all financial years.  Drivers for updating the infrastructure are: * To ensure that the authority is running on fit for purpose equipment; * To replace aging equipment before it fails and impacts service delivery; * and in line with PSN Requirements and security best-practice, devices must be under manufacturer support and they must be patched and/or upgraded to the latest software version.  If the authority is to retain PSN Code of Connection compliance there are no direct alternatives that are financially viable.
Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733.
With each successive generation of hardware they become more energy efficient with reduced heat output. Such reductions will directly reduce running costs and support a future refresh of the Town Hall cooling systems to smaller more efficient units. The 2020/21 scheme is funded via revenue contribution. Subsequent years have minium revenue provision (MRP) impications of £19,000 pa (2021/22) and £20,200 pa (2022/23)
The IT service employ an industry standard programme management technique for the infrastructure replacement.

<b>Communities &amp; Homes</b>
<b>ICT Refresh Programme - AV Equipment</b>
<b>£22,500</b>
<b>£0</b>
<b>£22,500</b>
<b>Raj Chand</b>
Much of the audio/visual equipment will become redundant in the next 2 years due to its age plus additional equipment will be required to support digitalisation.  The programme will consist of: replacement of the ctouch devices in CR1, CR2 and the Benn hall; and introduction of display equipment into CR3 and room 104 and the Board room.  The life expectancy of IT equipment is 5 years, which is based on both physical component life expectancy and the equipment's ability to be upgraded for security purposes and to support appropriate operating systems & software. The combined desktop & infrastructure refresh programmes have been re-designed to accommodate changes to working practices brought about by digitalisation, but without any particular increase to previous year's total budgets, however it has never incorporated audio/visual equipment as these used to sit in Business Support.
Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. Suppliers are sourced using Crown Commercial Services Digital Marketplace and associated framework RM3733.
The 2020/21 scheme is funded via revenue contribution. Subsequent years have minium revenue provision (MRP) impications of £1,500 pa (2021/22) and £1,500 pa (2022/23)
The IT service employ an industry standard programme management technique for the infrastructure replacement.

<b>Communities &amp; Homes</b>
<b>Disabled Facilities Grants</b>
<b>£1,986,360</b>
<b>£1,896,360</b>
<b>£90,000</b>
<b>Raj Chand</b>
The provision of grants to provide adaptations to the homes of disabled people in the borough. This is a mandatory requirement made by the Amendment by the Regulatory Reform Orders 2002 and 2008 and the Housing Grants and Construction and Regeneration Act 1996. Recommendations for adaptations are made following a home visit by the Occupational Health Therapists with the scheme administered in the borough by HEART service from October 2016



**General Fund Draft Capital Programme 2020/21 & Onwards**

**Capital Appraisal Information**

<b>Portfolio</b>
<b>Capital Scheme</b>
<b>Gross Budget Requirement 2020/21 - 2022/23</b>
<b>External Funding</b>
<b>RBC Funding 2020/21 - 2022/23</b>
<b>Budget Officer</b>
<b>Strategic Case:</b> Outline relevant national and local policies and strategies
<b>Commercial Case:</b> Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place
<b>Financial Case:</b> Outline the capital and revenue costs / savings over the life span of the project
<b>Management Case:</b> Outline the governance, plans, and resources that are in place for successful implementation.

<b>Environment &amp; Public Realm</b>
<b>Vehicle Replacements</b>
<b>£1,200,000</b>
<b>£0</b>
<b>£1,200,000</b>
<b>Dan Green</b>
The Vehicle Replacement scheme covers the provision of front line delivery services in procuring new vehicles for the Council's Works Service Unit (WSU) as existing fleet reaches the end of useful economic life. The programme is currently under review and budgets have been estimated based on prior year expenditure. A revised value reflecting actual vehicle requirements will be included in future iterations of the programme.
Procurement is undertaken in compliance with contract standing orders, utilising established framework agreements where applicable.
A funding appraisal is undertaken in conjunction with the Council's treasury and leasing advisors to ascertain the optimal source of financing in advance of vehicle acquisition. The appraisal measures the benefits of outright purchase cost, anticipated maintenance costs, residual value, and leasing contracts. Vehicles have an estimated asset life of seven years and therefore minimum revenue provision (annuity method) for the 2020/21 scheme will be £53,500.
The existing fleet is monitored to gauge useful economic lives, potential increased maintenance costs and market indications of pricing for replacement vehicles over a medium term horizon.

<b>Environment &amp; Public Realm</b>
<b>Open Spaces Refurbishment - Glamarama Close Play Area (2020/21)</b>
<b>£450,000</b>
<b>£150,000</b>
<b>£300,000</b>
<b>Dan Green</b>
Every site refurbishment is undertaken in partnership with the local community. This includes community associations, external funding partners, voluntary agencies and other statutory bodies. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment. The next play area highlighted by recent health & safety inspection is Glamarama Close play area and Frobisher Road play area.
The Council has a duty to provide facilities which are safe to use and which comply with the laws governing access to disabled people. Failure to discharge this responsibility will leave the Council liable.
There is significant evidence to suggest that investment in parks brings about wider social benefits. Research from the Edinburgh Council in Scotland found that for every £1 invested in parks, £12 was given back in social, economic & environmental benefits. Whilst Exeter University suggests people will exercise more if they have quality parks to do this in. The Local Government Association has also recently published the report "the role of the local government in mental health and wellbeing" which also highlights the significant role that parks and green spaces play in helping to reduce the nation's healthcare costs.
All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.
The refurbishment offers good value for money and the Council will be seeking some external funding from the landfill tax.
The alternative is to close and remove the play area, restoring the land back to grass, which would cost about £50k with no community gain. The scheme has an anticipated asset life of fifteen years and therefore minimum revenue provision (annuity method) will be £6,400.
Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Glamarama Close play area has not been refurbished for nearly 20 years and is now at the end of its useful life and without investment would need to be closed and removed. Whilst Frobisher Road play area now offers little in play value.

<b>Environment &amp; Public Realm</b>
<b>Open Spaces Refurbishment - Safety Improvements</b>
<b>£150,000</b>
<b>£0</b>
<b>£150,000</b>
<b>Dan Green</b>
The Council is responsible for 41 play areas and 17 youth facilities along with nearly 350 hectares of green spaces. The most serious health and safety issues have been dealt with through a programme of capital refurbishments in the last few years, but in the current financial climate the council needs to focus on the essential health and safety works. This capital scheme will address sites with the most pressing health and safety issues, and where minimal investment will not extend the life of the capital asset, fully refurbish the play area. The Council has a duty to provide facilities which are safe to use and which comply with the laws governing access to disabled people. Failure to discharge this responsibility will leave the Council liable. The sites have been identified within the Play Strategy and Open Space Strategy which the Council has adopted, along with information on the general condition survey of play equipment. There is significant evidence to suggest that investment in parks brings about wider social benefits. Research from the Edinburgh Council in Scotland found that for every £1 invested in parks, £12 was given back in social, economic & environmental benefits. Whilst Exeter University suggests people will exercise more if they have quality parks to do this in. The Local Government Association has also recently published the report "the role of the local government in mental health and wellbeing" which also highlights the significant role that parks and green spaces play in helping to reduce the nation's healthcare costs.
All procurement is undertaken in line with our own procurement rules and processes to ensure value for money.
The investment of £50k to address essential health & safety issues offers good value for money as this could be the cost of just one successful insurance claim against the Council. Schemes have an anticipated asset life of fifteen years and therefore minimum revenue provision for the 2020/21 programme will be £2,800.
Each open space that is highlighted for improvement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Failure to deal with urgent health & safety issues could lead to insurance claims and prosecutions against the Council.

<b>Environment &amp; Public Realm</b>
<b>Open Spaces Refurbishment - Street Furniture</b>
<b>£120,000</b>
<b>£0</b>
<b>£120,000</b>
<b>Dan Green</b>
This scheme provides for the long term permanent street furniture installations throughout Rugby and the surrounding areas. New benches are compliant with Disability Discrimination guidelines (seating height, arm rests etc.).
New litter bins have a colour contrast to aid the visually impaired. Replacement street furniture, litter bins, and bus shelters are only considered where refurbishment will not prove economically viable.
Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.
Street Furniture works have an anticipated asset life of ten years and therefore the minimum revenue provision for these works will be £2,000.
Each item of street furniture that is highlighted for refurbishment/replacement undergoes a phased approach which includes consultation in partnership with the local community, design and implementation. Failure to deal with urgent health & safety issues could lead to insurance claims and prosecutions against the Council.

**General Fund Draft Capital Programme 2020/21 & Onwards**

**Capital Appraisal Information**

Portfolio	Environment & Public Realm	Environment & Public Realm	Corporate Resources	Communities & Homes
Capital Scheme	Purchase of Waste Bins	Great Central Walk Bridges	Corporate Property Enhancements	Legal Case Management System
Gross Budget Requirement 2020/21 - 2022/23	£262,500	£330,000	£1,104,030	£17,020
External Funding	£262,500	£0	£0	£0
RBC Funding 2020/21 - 2022/23	£0	£330,000	£1,104,030	£17,020
Budget Officer	Dan Green	Dan Green	Mannie Ketley	Adam Norburn
<b>Strategic Case:</b> Outline relevant national and local policies and strategies	The Council has a statutory responsibility for the provision of domestic waste collection within the Borough. The scheme provides for the acquisition of bins for new housing developments funded via S106 agreements or developer contributions.	The Council has a statutory requirement to undertake structural inspections every six years and general inspections every two years of its Great Central Way Bridge assets. Work has been ongoing since 2008, and prior detailed inspections are showing major structural problems with several bridges on the route that need immediate / mid-term / long term repairs. The Council has a long term commitment for the upkeep of these bridges. As some of these bridges carry main highways into Rugby, the Council cannot risk the possibility of closing bridges due to poor maintenance. The Great Central Way Bridges were re-valued as at 31st March 2016 at £15.9m on the basis of re-instatement costs for insurance purposes.	Corporate Property Enhancements include works undertaken on the Council's non-housing assets consequent to legislative requirements (Fire Safety, Disability Discrimination Act, etc.) and to mitigate current and/or future maintenance requirements and asset devaluation. A refresh of the Council's Asset Management Strategy 2018-23 was approved in April 2018 and informs the options concerning non-housing asset future maintenance beyond 2018/19. Programmed works for the period include:  <ul style="list-style-type: none"> <li>• Fire Doors - Town Hall (2019/20)</li> <li>• Lawn/Retreat - External Works (2019/20)</li> </ul>	The system would address the significant risks highlighted on the legal teams' risk register around: -inability to locate documents -inability to access files/emails -inconsistent approach -incomplete files -time wasting -non-compliance with document retention regulations -service disruption -lack of storage due to volume of files The system will also introduce efficiencies into the way they work through the use of template documents and precedent documents, allow team members to more accurately understand their workflows and capacity and allow managers to monitor the legal team's performance. The system would digitalise the legal team and provide accurate reporting and record keeping which would assist in identifying areas for both improvement, opportunities for generating income and areas in which cost savings may be made.
<b>Commercial Case:</b> Outline the procurement arrangements that ensures the deal is achievable and attractive to the market place	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	The Council will tender for structural works based on the independent reports prepared by invasive engineering surveys carried out in May 2018. Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable. We are also looking to work collaboratively with WCC and their framework of bridge contractors.	Procurement for works will follow the Council's established procedures within contract standing orders to include OJEU compliance where applicable.	Research of 15 to 20 systems on the market and demo-ed or spoken to providers of around 10 of these systems. The system most suitable & cost effective for our needs is Iken (widely used by other local authorities). Procurement of the system will be through the appropriate procurement process.
<b>Financial Case:</b> Outline the capital and revenue costs / savings over the life span of the project	Purchase of waste bins for new housing developments will be funded via S106 agreements / developer contributions.	In advance of the 2018 survey results being evaluated an estimated construction budget of £165,000 per annum has been requested for works based on historic data for 2021/22 and 2022/23. The unspent existing budget for 2019/20 is to be carried forward for initial refurbishment works in 2020/21. Budget requirements will be revised in light of survey results and programme scheduling. Once structural works have been undertaken bridge lifespans are estimated at fifty years and therefore minimum revenue provision (annuity method) of £1,860 per annum.	Corporate Property Enhancement works have an anticipated asset life of twenty years and therefore the minimum revenue provision (annuity method) for the 2019/20 works will be £17,600.	Capital cost for 8 users and training is £17,020. The recurrent annual fees for licenses are £2,810.
<b>Management Case:</b> Outline the governance, plans, and resources that are in place for successful implementation.		The Council works in partnership with Warwickshire County Council as the highways authority to provide and maintain some of the bridges and will seek to work collaboratively to minimise public inconvenience and optimise value for money.		Liaison with IT and internal audit to identify whether to use a server system or cloud system and implement any bespoke requirements.

<b>Portfolio</b>	<b>Communities &amp; Homes</b>
<b>Capital Scheme</b>	<b>Automated Chatbot and AI</b>
<b>Gross Budget Requirement 2020/21 - 2022/23</b>	<b>£60,000</b>
<b>External Funding</b>	<b>£0</b>
<b>RBC Funding 2020/21 - 2022/23</b>	<b>£60,000</b>
<b>Budget Officer</b>	<b>Raj Chand</b>
<b>Strategic Case:</b> Outline relevant national and local policies and strategies	To provide an intelligent Chatbot facility that can provide answers to key static information for all areas of the council as if the customer were talking to an agent via a chat session. This will reduce the number of contact centre & departmental calls/emails for repeatable and static information. The initial pilot program started in 18/19 and will likely require a further 4 years of investment and building to be fully intelligent for all service areas that require it. Chatbot technology and artificial intelligence plays a central role in all good modern businesses. It is a customer expectation that these services are available and are of good quality. The 4 year program will focus on 2 service areas per year, this will allow for the development and building of the chatbot intelligence and the ability to develop forms within the chatbot so that the customer only has to have one interactive session even when needing to complete/report information to the council. The cost of telephone and face to face contact is expensive to the council and so this system will free time to allow officers to deal with more complex cases and individuals and spend quality of time which benefits the officers and the customers. The pilot chatbot is focused waste & recycling services.
<b>Commercial Case:</b> Outline the procurement arrangements that ensure supply side can deliver requirements on an efficient market basis	Suppliers are sourced using appropriate frameworks and procurement standards depending upon the value of purchase. Value for money alongside fit for purpose equipment will always be maintained.
<b>Financial Case:</b> Outline the capital and revenue costs / savings over the life span of the project	
<b>Management Case:</b> Outline the governance, plans, and resources that are in place for successful implementation.	Clear work packages will be presented for each service area with agreed outcomes/principles/exclusions. Measures will be reviewing call statistics for a service area once the chatbot is implemented following that work package. The inbuilt chatbot reporting elements will inform the council on how customers rated the service.

MTFP 2020/21 - 20223/24	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
<b>BASE EXPENDITURE BUDGET bf</b>	<b>16,740</b>	<b>17,432</b>	<b>13,464</b>	<b>13,816</b>
Corporate Adjustments	(234)	0	0	0
<b>BASE BUDGET</b>	<b>16,506</b>	<b>17,432</b>	<b>13,464</b>	<b>13,816</b>
<b>Growth Items</b>				
Salary Adjustments	483	472	481	490
Inflation	81	70	70	70
Other Service Pressures	575	0	0	150
<b>Total Growth</b>	<b>1,139</b>	<b>542</b>	<b>551</b>	<b>710</b>
<b>Savings</b>				
Efficiency, Transformation & Service Redesign	(437)	(265)	23	0
<b>Key Decision</b>	<b>(8)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Income Generation	(570)	(80)	0	0
<b>Budget Variance (-) Deficit</b>	<b>0</b>	<b>(1,711)</b>	<b>(538)</b>	<b>(743)</b>
<b>Total Savings</b>	<b>(1,015)</b>	<b>(2,056)</b>	<b>(515)</b>	<b>(743)</b>
<b>Corporate Items</b>				
Changes to Net Cost of Borrowing	18	(100)	(111)	(201)
Changes to Minimum Revenue Provision (MRP)	42	(113)	120	(32)
Contribution to/from Business Rates Equalisation Reserve	517	(2,020)	288	50
Contribution to/from Reserves	(15)	(241)	0	0
Investment Income	(50)	0	0	0
Revenue contribution to capital (RCCO)	241	0	0	0
Change in Parish Precept	49	20	20	20
<b>Total Changes in Corporate items</b>	<b>802</b>	<b>(2,454)</b>	<b>317</b>	<b>(163)</b>
<b>Total Net Expenditure</b>	<b>17,432</b>	<b>13,464</b>	<b>13,816</b>	<b>13,621</b>
<b>Financed By</b>				
<b>BASE INCOME BUDGET</b>				
<b>Grants</b>				
Other Government Grants	(256)	(231)	(208)	(187)
New Homes Bonus	(2,382)	(1,079)	(760)	(112)
<b>Business Rates</b>				
Settlement Funding Assessment (SFA)	(2,418)	(2,349)	(2,372)	(2,396)
Growth included in Baseline Budget	(500)	(569)	(546)	(522)
Pooling Dividend	(200)	0	0	0
Business rates growth above the sustainable baseline	(3,200)	(461)	(750)	(800)
Collection Fund Surplus(-)/Deficit	734	0	0	0
Contribution from Business Rates Equalisation Reserve	(734)	0	0	0
<b>Council Tax</b>				
Tax Base & 2% price increase	(8,348)	(8,681)	(9,041)	(9,420)
£5 increase in the Band D each year	(47)	(94)	(140)	(184)
Collection Fund Surplus (-)/Deficit	(81)	0	0	0
<b>TOTAL</b>	<b>(17,432)</b>	<b>(13,464)</b>	<b>(13,816)</b>	<b>(13,621)</b>

General Fund (GF) Reserves and Balances

Appendix 9

	Balance at 1st April 2019	Forecast Net Transfers	Balance at 31st March 2020	Net Transfers in Year	Balance at 31st March 2021	Net Transfers in Year	Balance at 31st March 2022	Net Transfers in Year	Balance at 31st March 2023	Net Transfers in Year	Balance at 31st March 2024
	£	£	£		£		£		£		£
Gen Fund Revenue Acc	(2,253)	588	(1,665)	(591)	(2,256)	0	(2,256)	0	(2,256)		(2,256)
<b>Corporate Reserves</b>											
Business Rates Equalisation Reserve	(1,716)	(2,422)	(4,138)	(2,313)	(6,450)	(461)	(6,911)	(750)	(7,661)	(800)	(8,461)
Budget Stability Reserve	(2,144)	0	(2,144)	(956)	(3,100)	0	(3,100)	0	(3,100)	0	(3,100)
GF Revenue Carry Forward Reserve	(125)	125	0	0	0	0	0	0	0	0	0
<b>Subtotal Corporate Reserves</b>	<b>(3,985)</b>	<b>(2,297)</b>	<b>(6,282)</b>	<b>(3,269)</b>	<b>(9,551)</b>	<b>(461)</b>	<b>(10,012)</b>	<b>(750)</b>	<b>(10,762)</b>	<b>(800)</b>	<b>(11,562)</b>
<b>Other Earmarked Reserves</b>											
HoF Licence Reserve	(300)	0	(300)	0	(300)	0	(300)	0	(300)	0	(300)
Acquisition Reserve (AG/M)	(3)	(6)	(9)	3	(6)	0	(6)	0	(6)	0	(6)
Town Centre Improvement Reserve	(326)	10	(316)	316	0	0	0	0	0	0	0
<b>Subtotal - Growth and Investment</b>	<b>(629)</b>	<b>4</b>	<b>(625)</b>	<b>319</b>	<b>(306)</b>	<b>0</b>	<b>(306)</b>	<b>0</b>	<b>(306)</b>	<b>0</b>	<b>(306)</b>
CIPFA Training Reserve	(38)	5	(33)	0	(33)	0	(33)	0	(33)	0	(33)
Insurance / RM Reserve	(30)	26	(4)	0	(4)	0	(4)	0	(4)	0	(4)
Corporate Assurance Training Reserve	(6)	1	(5)	0	(5)	0	(5)	0	(5)	0	(5)
Warwickshire Consortium Reserve	(2)	0	(2)	0	(2)	0	(2)	0	(2)	0	(2)
Revenue Section Agreements	(1,153)	65	(1,088)	0	(1,088)	0	(1,088)	0	(1,088)	0	(1,088)
Non-Conditional Revenue Grants	(585)	(89)	(674)	0	(674)	0	(674)	0	(674)	0	(674)
STW Pensions Reserve	(86)	0	(86)	0	(86)	0	(86)	0	(86)	0	(86)
Energy Efficiency Investment Fund	(45)	0	(45)	0	(45)	0	(45)	0	(45)	0	(45)
<b>Subtotal - Corporate Resources</b>	<b>(1,945)</b>	<b>8</b>	<b>(1,937)</b>	<b>0</b>	<b>(1,937)</b>	<b>0</b>	<b>(1,937)</b>	<b>0</b>	<b>(1,937)</b>	<b>0</b>	<b>(1,937)</b>
Digitalisation & Trading Reserve	(123)	94	(30)	0	(30)	0	(30)	0	(30)	0	(30)
IT Equipment Reserve	(10)	10	0	0	0	0	0	0	0	0	0
Corporate Apprenticeship Scheme Reserve	(31)	0	(31)	0	(31)	0	(31)	0	(31)	0	(31)
Woodside Park R & M Reserve	(24)	12	(11)	0	(11)	0	(11)	0	(11)	0	(11)
Welfare Support Reserve	(500)	(81)	(581)	(53)	(634)	(13)	(647)	(13)	(660)	(13)	(673)
Welfare Support IT Reserve	(100)	0	(100)	0	(100)	0	(100)	0	(100)	0	(100)
<b>Subtotal - Communities and Homes</b>	<b>(788)</b>	<b>35</b>	<b>(753)</b>	<b>(53)</b>	<b>(806)</b>	<b>(13)</b>	<b>(819)</b>	<b>(13)</b>	<b>(832)</b>	<b>(13)</b>	<b>(845)</b>
Works Services Unit operational reserve	(320)	320	0	0	0	0	0	0	0	0	0
Hackney Carriages Reserve	(59)	(10)	(69)	0	(69)	0	(69)	0	(69)	0	(69)
Crematorium Replacement Reserve	(40)	(10)	(50)	(15)	(65)	(15)	(80)	(15)	(95)	(15)	(110)
Crematorium Cameo Reserve	(12)	(13)	(25)	(2)	(27)	(2)	(29)	(2)	(31)	(2)	(33)
Environmental Crimes Reserve	(15)	(4)	(19)	0	(19)	0	(19)	0	(19)	0	(19)
Licensing Reserve	(32)	0	(32)	0	(32)	0	(32)	0	(32)	0	(32)
Waste Reserve	(48)	0	(48)	0	(48)	0	(48)	0	(48)	0	(48)
Land Drainage Reserve	(16)	(9)	(25)	2	(23)	2	(21)	2	(19)	2	(17)
Graves In Perpetuity	(11)	0	(11)	11	0	0	0	0	0	0	0
HMO License Reserve	(44)	16	(28)	16	(12)	12	(0)	0	(0)	(44)	(44)
<b>Subtotal - Environment and Public Realm</b>	<b>(598)</b>	<b>290</b>	<b>(308)</b>	<b>12</b>	<b>(296)</b>	<b>(3)</b>	<b>(299)</b>	<b>(15)</b>	<b>(314)</b>	<b>(59)</b>	<b>(373)</b>
<b>Total Service Earmarked Reserves</b>	<b>(3,959)</b>	<b>337</b>	<b>(3,622)</b>	<b>278</b>	<b>(3,344)</b>	<b>(16)</b>	<b>(3,360)</b>	<b>(28)</b>	<b>(3,388)</b>	<b>(72)</b>	<b>(3,460)</b>
<b>TOTAL General Fund Reserves</b>	<b>(10,197)</b>	<b>(1,371)</b>	<b>(11,569)</b>	<b>(3,582)</b>	<b>(15,151)</b>	<b>(477)</b>	<b>(15,628)</b>	<b>(778)</b>	<b>(16,406)</b>	<b>(872)</b>	<b>(17,278)</b>

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	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>GROWTH &amp; INVESTMENT</b>							
<b>Rugby Art Gallery and Museum (RAGM)</b>							
Floor One Gallery artist exhibition hire 2 weeks			122.40			122.40	0.00%
Public Liability Insurance administration fee (Floor One Gallery)			25.50			26.00	1.96%
Children's workshops - 2 hours			8.20			10.00	21.95%
Children's workshops - 10 - 4			20.40			25.00	22.55%
Baby Splats			5.00			5.50	10.00%
Tripointum - Roman Britain school workshop			95.00			100.00	5.26%
Roman Craft school workshop			205.00			215.00	4.88%
Arts Award 'Discover in a Day' school session per child			7.00			7.00	0.00%
Sketch book journey school workshop			95.00			100.00	5.26%
Historic loans box hire			5.10			7.00	37.25%
Magic Carpet			n/a			115.00	
Draw, Draw, Draw			n/a			100.00	
Rugby Collection			n/a			95.00	
Archaeological archive deposits, per box			306.00			300.00	-1.96%
Centre supervisor to stay after hours (hourly rate)			40.80			41.60	1.96%
Gallery Assistant (per hour)			30.60			31.20	1.96%
<b>Education Room 1 - hire charges</b>							
Per hour			23.00			23.50	2.17%
National Charities/Education			18.40			18.80	2.17%
Local Groups/Charities/Education			16.10			16.40	1.86%
<b>Education Room 2 - hire charges</b>							
Per hour			16.30			16.60	1.84%
National Charities/Education			13.10			13.40	2.29%
Local Groups/Charities/Education			11.40			11.60	1.75%
<b>Note: Room Hire</b>							
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			7.00	-1.41%
Rugby Open fee - three artworks			18.40			18.00	-2.17%
Rugby Open late collection of artwork fee			£1 per day up to a maximum of £10.00 per work			£5 per artwork per day	
Rugby Open commission on artwork sales			25% commission			25% commission	
<b>The Benn Hall</b>							
<b>Monday - Thursday per hour</b>							
Main Hall			30.00			30.00	0.00%
Rokeby Room			20.00			20.00	0.00%
Bar			15.00			15.00	0.00%
Whole Building			50.00			50.00	0.00%
<b>Friday - Sunday &amp; Bank Holidays per hour</b>							
Main Hall			60.00			60.00	0.00%
Rokeby Room			35.00			35.00	0.00%
Bar			20.00			20.00	0.00%
Whole Building			100.00			100.00	0.00%
<b>Wedding hire</b>							
With exclusive use of whole building including kitchen from 10am - 1am			695.00			695.00	0.00%
<b>Use of Kitchen Facilities for the provision of:-</b>							
Tea/Coffee/Squash/Biscuits			35.00			35.00	0.00%
Snacks and light catering per hour			15.00			15.00	0.00%
All other catering per hour			20.00			20.00	0.00%
<b>NOTE:</b>							
(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.							
<b>Sports and Recreation</b>							
Use of Community Sports Coach			16.50			16.80	1.82%
Use of a Play Ranger			16.50			16.80	1.82%
<b>Use of On Track Sports Leaders</b>							
Schools (PPA/Lunch)			16.50			16.80	1.82%
Sport Specific			20.00			20.40	2.00%
Mentoring			20.00			20.40	2.00%
Small Group Work			30.00			30.60	2.00%
Youth Club			17.00			17.30	1.76%
Sport Leader Courses			30.00			30.60	2.00%
Boxing Leader Courses			30.00			30.60	2.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Planning Services</b>							
10 - 49 Dwellings; or Site Area 0.5 - 0.99 ha; or gross floor area between 1,000 - 2,499m2						1,440.00	N/A
50 - 199 Dwellings; or Site Area 1 - 1.99 ha; or gross floor area between 2,500 - 9,999m2						2,880.00	N/A
200+ Dwellings; or Site Area greater than 2 ha; or gross floor area greater than 10,000m2						4,320.00	N/A
Planning Application Fees - set nationally <a href="#">A Guide to the Fees for Planning Applications in England</a>							
			price on application			price on application	0.00%
Plan Printing – Size A0 + (per copy)			8.20			8.40	2.44%
Size A0			6.10			6.20	1.64%
Size A1			4.10			4.20	2.44%
Size A2			2.00			2.00	0.00%
Size A3			1.00			1.00	0.00%
Size A4			1.00			1.00	0.00%
Planning Decision Notices (including appeal decisions)							
Per copy			15.30			15.60	1.96%
Miscellaneous Documentation							
First copy from each file			1.00			1.00	0.00%
Subsequent copies (black and white) per side			0.10			0.10	0.00%
Subsequent copies (colour) per side			0.20			0.20	0.00%
Local Development Scheme			no charge			no charge	0.00%
Supplementary Planning Documents							
Housing Needs SPD March 2012			no charge			no charge	0.00%
Planning Obligations March 2012			no charge			no charge	0.00%
Sustainable Design and Construction March 2012			no charge			no charge	0.00%
<b>Building Control</b>							
From 1st April 2015 regulatory activities will be undertaken by Warwick District Council as a shared partnership. Please visit <a href="http://www.warwickdc.gov.uk">www.warwickdc.gov.uk</a> for further information.							
<b>Land Charges</b>							
Full Local Search LLC1 (no VAT) & Con29 (+VAT)			109.00			109.00	0.00%
Additional Questions each			36.00			36.00	0.00%
Additional Parcels each			23.00			23.00	0.00%
LLC1 (search only)			25.00			25.00	0.00%
Con29			84.00			84.00	0.00%
Con29 O - Optional Enquiries, except ones listed below			12.00			12.00	0.00%
Con29 O - Optional Enquiry Z2			14.40			14.40	0.00%
Personal Search - free to view in reception							
Other CON29 questions							
Question 1.1 j, k, l			16.50			16.50	0.00%
Question 2			32.40			32.40	0.00%
Question 3.7			14.40			14.40	0.00%
Question 3.8			4.80			4.80	0.00%
Question 3.9			5.10			5.10	0.00%
Question 3.11			15.60			15.60	0.00%
Question 3.13			1.44			1.44	0.00%
We DO NOT answer Questions 4 & 16							

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Bereavement Services</b>							
<b>Adult rates apply to persons aged 18 or over</b>							
<b>Rainsbrook Crematorium</b>							
<b>Cremation Fees inclusive of Organist fee, scattering fee &amp; Environmental Levy</b>							
Child - up to and including 17 years of age			no charge			no charge	0.00%
Adult - service 9.00am - 4.45pm			820.00			835.00	1.83%
Adult - no service 8.15am - 8.45am, 5.00pm - 5.30pm			550.00			550.00	0.00%
Cremation of body parts ( <i>Free of charge if we cremated deceased</i> )			200.00			200.00	0.00%
<b>Weekend Surcharge</b>							
Saturday cremation 10.00am - 12 noon - strict rotation			575.00			600.00	4.35%
Saturday interment of cremated remains (am only)			150.00			150.00	0.00%
Saturday scattering of cremated remains (am only)			75.00			75.00	0.00%
Scattering of ashes when cremation has taken place elsewhere			50.00			50.00	0.00%
Supply of casket (with name plate)			60.00			60.00	0.00%
Forwarding cremated remains by post (inland)			price on application			price on application	0.00%
Audio recording of services			50.00			50.00	0.00%
DVD recording of service			65.00			65.00	0.00%
Subsequent copies			40.00			40.00	0.00%
Slideshow / Visual Tribute			25.00			25.00	0.00%
Webcast			75.00			75.00	0.00%
Use of Rainsbrook Ceremony Room (for a memorial service- no cremation)			250.00			250.00	0.00%
Bearer's fee (advance booking only)			35.00			40.00	14.29%
Memorial flowers medium			40.00			40.00	0.00%
Memorial flowers large			60.00			60.00	0.00%
Late arrival / overrun per 15 minutes			250.00			275.00	10.00%
<b>Book of Remembrance</b>							
Two line entry			75.00			75.00	0.00%
Five line entry			125.00			125.00	0.00%
Five line entry with emblem			175.00			175.00	0.00%
Eight line entry			195.00			195.00	0.00%
Eight line entry with emblem			225.00			225.00	0.00%
Memorial Tree (Bronze Plaque only, 10 year lease)			395.00			395.00	0.00%
Memorial Barbican Plaque (5 year lease)			375.00			375.00	0.00%
Memorial Bench (Bronze Plaque only, 10 year lease)			250.00			250.00	0.00%
Desk Vase Tablet Package (50 year lease, inclusive price)			2250.00			2250.00	0.00%
Memorial Kerb (5 year lease)			250.00			250.00	0.00%
Tree of Life (10 year lease)			450.00			450.00	0.00%
Memorial Boulder (10 year lease)			575.00			575.00	0.00%
Armed Forces Wall (Inclusive of Regimental Badge, perpetuity)			250.00			250.00	0.00%
Reservation fee: Granite Memorial Annual Charge for Space only			100.00			100.00	0.00%
<b>Rugby Borough Council Cemeteries</b>							
Croop Hill Cemetery, Whinfield Cemetery, Watts Lane Cemetery, Clifton Road Cemetery							
<b>Burial Charges</b>							
Non-residents of Rugby are subject to triple fees in respect of Exclusive Right of Burial and Interment fees							
<b>Purchase of Exclusive Right of Burial for 50 years</b>							
Adult's Plot			1,200.00			1,200.00	0.00%
Reservation Fee			500.00			500.00	0.00%
Adult's Plot - Watts Lane Green Burial area (single depth only)			1,200.00			1,200.00	0.00%
Reservation Fee			500.00			500.00	0.00%
<b>Interment fees - preparation and backfilling of grave</b>							
Babies & children up to 17yrs – all areas including Cloverleaf Memorial Garden			no charge			no charge	0.00%
Adult grave			800.00			800.00	0.00%
Stepped single grave - for burial without coffin			900.00			900.00	0.00%
Weekend surcharge - Saturday 9.30am to 12.00 noon (when agreed)			650.00			650.00	0.00%
Construction of vault			price on application			price on application	0.00%
<b>Interment of Cremated Remains in a Cemetery</b>							
<b>Purchase of Exclusive Right of Burial for 50 yrs</b>							
Cremation plot for 2 caskets (most plots are this size)			500.00			500.00	0.00%
Cremation plot for 4 caskets (Croop Hill Cemetery)			700.00			700.00	0.00%
Reservation Fee			350.00			350.00	0.00%



## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Rugby Borough Council Cemeteries</b>							
<b>Interment fees - preparation and backfilling of grave</b>							
Babies and children up to 17 yrs – all areas including Cloverleaf Memorial Garden			no charge			no charge	0.00%
Adult - interment of cremated remains			350.00			350.00	0.00%
Adult - strewing of cremated remains under turf			200.00			200.00	0.00%
<b>Scattering of ashes on the surface is not permitted</b>							
Use of Cemetery Chapel at Watts Lane or Croop Hill Cemeteries			100.00			100.00	0.00%
Use of Rainsbrook Ceremony Room (no cremation)			250.00			250.00	0.00%
Cemetery Memorial Tree with bronze plaque			275.00			275.00	0.00%
Cemetery Memorial Bench			price on application			price on application	0.00%
Family History Search - Detailed genealogy research			25.00			25.00	0.00%
Exhumation			price on application			price on application	0.00%
Plaque on Whinfield Memorial Scrolls			150.00			150.00	0.00%
Plaque on Watts Lane Memorial Book			150.00			150.00	0.00%
Plaque on Child in Hand Memorial at Clifton Road			150.00			150.00	0.00%
<b>Memorial Permit Fees</b>							
<b>Main Cemetery Areas (purchased graves only)</b>							
Headstone (including any base slab)							
Up to 5'6" high x 3'0" wide x 1'6" deep			250.00			250.00	0.00%
Vase							
Up to 1'3" high and 1'0" diameter			150.00			150.00	0.00%
Plaque/tablet - Main Cemetery Section							
Up to 2'0" (h) x 2'6" (w) x 1'6" (d)							
Plaque/tablet - Whinfield Cremation Section			150.00			150.00	0.00%
Up to 2'0" (h) x 2'0" (w) x 2'0" (d)			150.00			150.00	0.00%
Plaque/tablet - Watts Lane Cremation Section							
Up to 2'0" (h) x 2'3" (w) x 2'0" (d)			150.00			150.00	0.00%
Plaque/tablet - Croop Hill Cremation Section							
Up to 1'6" (h) x 1'6" (w) x 3'0" (d)			150.00			150.00	0.00%
Added inscription to any memorial			150.00			150.00	0.00%
Replacement of existing memorial where no amendment to previous approval			Nil			Nil	0.00%
Kerbstones including headstone (where permitted)			450.00			450.00	0.00%
Kerbstones only (where permitted)			300.00			300.00	0.00%
Oversized headstone			500.00			500.00	0.00%
<b>Cloverleaf Memorial Garden</b>							
Contact Bereavement Services 01788 533715							
<b>Pest Control</b>							
			<b>Advance payment</b>			<b>Pay by Invoice</b>	
<b>Domestic Pest Control</b>							
Rats - up to 3 visits			31.00			51.00	1.96%
Mice - up to 4 visits			66.00			87.00	2.30%
Bedbugs - up to 2 visits			97.00			117.00	2.56%
Fleas - up to 2 visits			77.00			97.00	2.06%
Cockroaches - up to 3 visits			97.00			117.00	2.56%
Wasps and Hornets - up to 2 visits							
General charge			56.00			77.00	28.57%
Additional wasp nest (no concessions)			10.00			10.00	0.00%
Squirrels- up to 3 visits			65.00			85.00	2.35%
<b>Commercial Pest Control</b>							
Wasps (non contract)			82.00			102.00	1.96%
Wasps (contract)			61.00			82.00	1.22%
Additional wasp nests - £10.00							
			<b>Advance payment</b>			<b>Pay per hour</b>	
<b>Minimum charge 1 hour, charged per 30 minutes thereafter.</b>							
Bedbugs, fleas and cockroaches			41.00			102.00	1.96%
Rats and Mice			41.00			97.00	2.06%
<b>Contracts (additional treatment over and above agreed contracts terms and conditions)</b>							
Bedbugs, fleas and cockroaches			39.00			82.00	1.22%
Rats and Mice			39.00			77.00	1.30%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Miscellaneous</b>							
		<b>Advance payment</b>	<b>Pay per hour</b>		<b>Advance payment</b>	<b>Pay per hour</b>	
Fumigation void premises		41.00	82.00		42.00	83.00	1.22%
House clearance		41.00	51.00		42.00	52.00	1.96%
Key collections (Rugby area only)		n/a	51.00		n/a	52.00	1.96%
<b>Reclamation of Stray Dogs</b>							
<b>Untagged</b>							
First Offence			95.00			95.00	0.00%
Subsequent Offence			110.00			105.00	-4.55%
<b>Tagged</b>							
First Offence			70.00			70.00	0.00%
Subsequent Offence			90.00			90.00	0.00%
Kennel costs (per day)			13.20			13.20	0.00%
Note: A day includes part days and is applied from the day of acceptance into the kennel. Micro-chipping is a service provided by the Councils Stray Dog Kennels Provider at £15 per dog (inclusive of VAT)							
<b>Handy Person Service</b>							
Handy Person Service			Price on Application			Price on Application	
<b>Waste Collection</b>							
Bulky Waste Collection - up to 3 items			26.00			26.00	0.00%
Each Additional Item:							
Up to a maximum of 6			6.00			6.00	0.00%
Over 6 household items or any number of garden items (sheds, play equipment)			Price On Application				
Cancellation Fee			3.50			3.50	0.00%
Domestic Garden Waste Collection (annual subscription)- charge per bin			40.00			40.00	0.00%
Abandoned Vehicles - removal			105.00			105.00	0.00%
Abandoned Vehicles - disposal			50.00			50.00	0.00%
Trade Waste			Price On Application			Price On Application	3.00%
<b>Licences and Permits</b>							
<b>Animal Licences</b>							
House to House Licence			Nil			Nil	0.00%
<b>Pet Shops/Selling of animals</b>							
1 Year Licence			195.00			195.00	0.00%
2 Year Licence			320.00			320.00	0.00%
3 Year Licence			467.00			467.00	0.00%
Renewal			145.00			145.00	0.00%
<b>Animal Boarding Establishments (large establishments- 7 and over)</b>							
1 Year Licence			210.00			210.00	0.00%
2 Year Licence			367.00			367.00	0.00%
3 Year Licence			525.00			525.00	0.00%
Renewal			160.00			160.00	0.00%
<b>Animal Boarding Establishments (small establishments- 6 and under)</b>							
1 Year Licence			180.00			180.00	0.00%
2 Year Licence			315.00			315.00	0.00%
3 Year Licence			450.00			450.00	0.00%
Renewal			130.00			130.00	0.00%
<b>Dog day care</b>							
1 Year Licence			175.00			175.00	0.00%
2 Year Licence			300.00			300.00	0.00%
3 Year Licence			425.00			425.00	0.00%
Renewal			130.00			130.00	0.00%
<b>Hiring of horses (plus annual vet's fee- payable separately)</b>							
1 Year Licence			220.00			220.00	0.00%
2 Year Licence			385.00			385.00	0.00%
3 Year Licence			550.00			550.00	0.00%
Renewal			170.00			170.00	0.00%
<b>Breeding of Dogs (plus vet's fee- payable separately)</b>							
1 Year Licence			240.00			240.00	0.00%
2 Year Licence			420.00			420.00	0.00%
3 Year Licence			600.00			600.00	0.00%
Renewal			190.00			190.00	0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Licences</b>							
Keeping or training animals for exhibition (3 year licence)			180.00			180.00	0.00%
Keeping or training animals for exhibition (renewal)			130.00			130.00	0.00%
Re-rating visits			175.00			175.00	0.00%
Variation of a licence			130.00			130.00	0.00%
Dangerous Wild Animals Act (excluding vet fees)			315.00			315.00	0.00%
Zoo Licence (excluding vet fees)			625.00			625.00	0.00%
Skin Piercing etc., Acupuncture, tattooing, electrolysis and ear piercing (per practitioner)			165.00			165.00	0.00%
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	0.00%
Ear piercing only (per practitioner)			85.00			85.00	0.00%
Food Premises Registration			No charge			No charge	0.00%
Street Traders Licence (per pitch per day - issued by Rugby First)			32.00			32.00	0.00%
Sex Establishment Licence			4,700.00			4,700.00	0.00%
Hypnotism			100.00			100.00	0.00%
Note: all animal licenses may be subject to further vet fees in accordance with the relevant legislation. All fees stated exclude vet fees.							
<b>Pollution Prevention and Control</b>							
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 <a href="http://www.defra.gov.uk/environment/ppc/localauth/fees-risk/fees.htm">www.defra.gov.uk/environment/ppc/localauth/fees-risk/fees.htm</a>							
<b>Lotteries and Amusement</b>							
Initial			40.00			40.00	0.00%
Renewal			20.00			20.00	0.00%
<b>Licensing Act 2003</b>							
Main Application Fee - per Rateable Band							
Band A			100.00			100.00	0.00%
Band B			190.00			190.00	0.00%
Band C			315.00			315.00	0.00%
Band D			450.00			450.00	0.00%
Band E			635.00			635.00	0.00%
Band D X (2)			900.00			900.00	0.00%
Band E X (3)			1,905.00			1,905.00	0.00%
Main Annual Charge							
Band A			70.00			70.00	0.00%
Band B			180.00			180.00	0.00%
Band C			295.00			295.00	0.00%
Band D			320.00			320.00	0.00%
Band E			350.00			350.00	0.00%
Band D X (2)			640.00			640.00	0.00%
Band E X (3)			1,050.00			1,050.00	0.00%
Variation							
Band A			100.00			100.00	0.00%
Band B			190.00			190.00	0.00%
Band C			315.00			315.00	0.00%
Band D			450.00			450.00	0.00%
Band E			635.00			635.00	0.00%
<b>Personal Licences, Temporary Events and Other Fees</b>							
Application for a grant or renewal of personal licence			37.00			37.00	0.00%
Temporary event notice			21.00			21.00	0.00%
Theft, loss etc. of premises licence or summary			10.50			10.50	0.00%
Application for a provisional statement where premises being built etc.			Varies			Varies	0.00%
Notification of change of name or address			10.50			10.50	0.00%
Application to vary licence to specify individual as premises supervisor			23.00			23.00	0.00%
Application for transfer of premises licence			23.00			23.00	0.00%
Theft, loss etc. of certificate or summary			10.50			10.50	0.00%
Notification of change of name alteration of rules of club			10.50			10.50	0.00%
Change of relevant registered address of club			10.50			10.50	0.00%
Theft, loss etc. of temporary event notice			10.50			10.50	0.00%
Theft, loss etc. of personal licence			10.50			10.50	0.00%
Duty to notify change of name or address			10.50			10.50	0.00%
Right of freeholder etc. to be notified of licensing matters			21.00			21.00	0.00%
Interim Authority notice following death etc. of licence holder			23.00			23.00	0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees	2019/20 Fees	2019/20 Fees	2020/21 Fees	2020/21 Fees	2020/21 Fees	
	A	B	C	A	B	C	
	£	£	£	£	£	£	%
<b>Licences</b>							
<b>Fees for Scrap Metal Dealers Act 2013 scrap metal licence applications and incidental costs</b>							
Scrap metal dealer site licence application fee			350.00			350.00	0.00%
Scrap metal dealer site licence renewal fee			250.00			250.00	0.00%
Scrap metal dealer site licence variation fee			90.00			90.00	0.00%
Scrap metal dealer collector licence fee			250.00			250.00	0.00%
Scrap metal dealer collector renewal fee			230.00			230.00	0.00%
Scrap metal dealer collector variation fee			90.00			90.00	0.00%
Replacement licence			30.00			30.00	0.00%
<b>Fees for Mobile Homes Act 2013 licence applications and incidental costs</b>							
Application			250.00			250.00	0.00%
Annual fee 2 to 10 residential units			150.00			150.00	0.00%
Annual fee 11 to 30 residential units			220.00			220.00	0.00%
Annual fee 31+ residential units			300.00			300.00	0.00%
Compliance notice			335.00			335.00	0.00%
Transfer of licence			72.00			72.00	0.00%
Variation of licence			215.00			215.00	0.00%
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.							
<b>Gambling Act permit fees</b>							
<b>Licensed premises gaming machines permits:</b>							
Grant			150.00			150.00	0.00%
Existing operator grant			100.00			100.00	0.00%
Variation			100.00			100.00	0.00%
Transfer			25.00			25.00	0.00%
Annual fee			50.00			50.00	0.00%
Change of name			25.00			25.00	0.00%
Copy of permit			15.00			15.00	0.00%
<b>Licensed premises automatic notification process</b>							
On Notification			50.00			50.00	0.00%
<b>Club gaming permits</b>							
Grant			200.00			200.00	0.00%
Grant (club premises certificate holder)			100.00			100.00	0.00%
Existing operator grant			100.00			100.00	0.00%
Variation			100.00			100.00	0.00%
Renewal			200.00			200.00	0.00%
Renewal (club premises certificate holder)			100.00			100.00	0.00%
Annual fee			50.00			50.00	0.00%
Copy of permit			15.00			15.00	0.00%
<b>Club machine permits</b>							
Grant			200.00			200.00	0.00%
Grant (club premises certificate holder)			100.00			100.00	0.00%
Existing operator grant			100.00			100.00	0.00%
Variation			100.00			100.00	0.00%
Renewal			200.00			200.00	0.00%
Renewal (club premises certificate holder)			100.00			100.00	0.00%
Annual fee			50.00			50.00	0.00%
Copy of permit			15.00			15.00	0.00%
<b>Family entertainment centre gaming machine permits</b>							
Grant			300.00			300.00	0.00%
Renewal			300.00			300.00	0.00%
Existing operator grant			100.00			100.00	0.00%
Change of name			25.00			25.00	0.00%
Copy of permit			15.00			15.00	0.00%
<b>Prize gaming permits</b>							
Grant			300.00			300.00	0.00%
Renewal			300.00			300.00	0.00%
Existing operator grant			100.00			100.00	0.00%
Change of name			25.00			25.00	0.00%
Copy of permit			15.00			15.00	0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees	2019/20 Fees	2019/20 Fees	2020/21 Fees	2020/21 Fees	2020/21 Fees	
	A	B	C	A	B	C	
	£	£	£	£	£	£	%
<b>Gambling Act Licences</b>							
<b>Converted Casino</b>							
Non-conversion provisional statement			no charge			no charge	0.00%
Non-conversion application			no charge			no charge	0.00%
1st Annual fee			2,400.00			2,400.00	0.00%
Annual fee			2,400.00			2,400.00	0.00%
Vary licence			1,600.00			1,600.00	0.00%
Transfer licence			1,080.00			1,080.00	0.00%
Reinstatement of licence			1,080.00			1,080.00	0.00%
Provisional			no charge			no charge	0.00%
<b>Bingo</b>							
Non conversion provisional statement			960.00			960.00	0.00%
Non conversion application			2,800.00			2,800.00	0.00%
1st annual fee			800.00			800.00	0.00%
Annual fee			800.00			800.00	0.00%
Vary Licence			1,400.00			1,400.00	0.00%
Transfer Licence			960.00			960.00	0.00%
Reinstatement of licence			960.00			960.00	0.00%
Provisional			2,800.00			2,800.00	0.00%
<b>Gambling Act Permit Fees</b>							
<b>Adult Gaming Centre</b>							
Non conversion provisional statement			960.00			960.00	0.00%
Non conversion application			1,600.00			1,600.00	0.00%
1st annual fee			800.00			800.00	0.00%
Annual fee			800.00			800.00	0.00%
Vary licence			800.00			800.00	0.00%
Transfer licence			960.00			960.00	0.00%
Reinstatement of licence			960.00			960.00	0.00%
Provisional			1,600.00			1,600.00	0.00%
<b>Track betting</b>							
Non conversion provisional statement			790.00			790.00	0.00%
Non conversion application			2,050.00			2,050.00	0.00%
1st annual fee			830.00			830.00	0.00%
Annual fee			830.00			830.00	0.00%
Vary licence			1,050.00			1,050.00	0.00%
Transfer Licence			790.00			790.00	0.00%
Reinstatement of licence			790.00			790.00	0.00%
Provisional			2,100.00			2,100.00	0.00%
<b>Betting (other)</b>							
Non conversion provisional statement			1,000.00			1,000.00	0.00%
Non conversion application			2,500.00			2,500.00	0.00%
1st annual fee			500.00			500.00	0.00%
Annual fee			500.00			500.00	0.00%
Vary licence			1,250.00			1,250.00	0.00%
Transfer licence			1,000.00			1,000.00	0.00%
Re-instatement of licence			1,000.00			1,000.00	0.00%
Provisional			2,500.00			2,500.00	0.00%
<b>Family Entertainment Centre</b>							
Non conversion provisional statement			790.00			790.00	0.00%
Non conversion application			1,650.00			1,650.00	0.00%
1st annual fee			625.00			625.00	0.00%
Annual fee			625.00			625.00	0.00%
Vary licence			830.00			830.00	0.00%
Transfer licence			790.00			790.00	0.00%
Re-instatement of licence			790.00			790.00	0.00%
Provisional			1,650.00			1,650.00	0.00%
Temporary Use Notices			500.00			500.00	0.00%
Copy of Licences			25.00			25.00	0.00%
Notification of Change of Licence			50.00			50.00	0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees	2019/20 Fees	2019/20 Fees	2020/21 Fees	2020/21 Fees	2020/21 Fees	
	A	B	C	A	B	C	
	£	£	£	£	£	£	%
<b>Hackney Carriages</b>							
Vehicle Licence			145.00			145.00	0.00%
Transfer of Vehicle Licence			12.50			12.50	0.00%
Replacement Plates			34.00			34.00	0.00%
DBS checks			44.00			44.00	0.00%
Knowledge Test			30.00			30.00	0.00%
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)			40.00			40.00	0.00%
<b>Private Hire Vehicles</b>							
Vehicle Licence			145.00			145.00	0.00%
Operator's Licence:							
New Applications (valid for 5 years):							
1-4 Vehicles			380.00			380.00	0.00%
5-10 Vehicles			680.00			680.00	0.00%
10 or more Vehicles			974.00			974.00	0.00%
Application Renewal (valid for 5 years)							
1-4 Vehicles			344.00			344.00	0.00%
5-10 Vehicles			642.00			642.00	0.00%
10 or more Vehicles			940.00			940.00	0.00%
Driver's Licence - Dual Hackney and PHV Licence:							
New Application (Valid for 3 years)			370.00			370.00	0.00%
Application Renewal (Valid for 3 years)			220.00			220.00	0.00%
Transfer of Vehicle Licence			12.50			12.50	0.00%
Replacement Plates			34.00			34.00	0.00%
Knowledge Test			30.00			30.00	0.00%
Vehicle Safety Check (Carried out by Rugby Borough Council Work Services)			40.00			40.00	0.00%
<b>Car Parks and Parking</b>							
<b>Off Street Parking</b>							
<b>John Barford Car Park</b>							
Up to 3 hours			1.00			1.00	0.00%
Up to 5 hours			2.50			2.50	0.00%
Up to 11 hours			5.00			5.00	0.00%
Sunday			1.00			1.00	0.00%
<b>Railway Terrace/Gas Street/Old Market Place</b>							
Up to 3 hours			1.00			1.00	0.00%
Up to 5 hours			4.00			4.00	0.00%
Up to 11 hours			10.00			10.00	0.00%
Sunday			no charge			no charge	0.00%
<b>Chestnut Field/North Street/Little Church Street/Evreux Way</b>							
Up to 2 hours			1.00			1.00	0.00%
Up to 3 hours			1.30			1.30	0.00%
Sunday			1.00			1.00	0.00%
<b>Westway</b>							
Up to 5 hours			2.50			2.50	0.00%
Up to 11 hours			5.00			5.00	0.00%
Sunday			no charge			no charge	0.00%
<b>Newbold Road</b>							
Up to 3 hours			1.00			1.00	0.00%
Up to 5 hours (weekdays only)			4.00			4.00	0.00%
Up to 11 hours			10.00			10.00	0.00%
Saturday up to 11 hours			3.00			3.00	0.00%
Sunday			no charge			no charge	0.00%
<b>Penalty Charges</b>							
Penalty charge			50.00 or 70.00			50.00 or 70.00	0.00%
Penalty charge if paid within 14 days			25.00 or 35.00			25.00 or 35.00	0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Car Parks and Parking</b>							
<b>Season Tickets - Day Passes</b>							
<b>John Barford/Westway</b>							
3 months			120.00			120.00	0.00%
6 months			215.00			215.00	0.00%
Yearly			400.00			400.00	0.00%
<b>Railway Terrace/Gas Street/Old Market Place</b>							
3 months			180.00			180.00	0.00%
6 months			325.00			325.00	0.00%
Yearly			615.00			615.00	0.00%
<b>Other Charges</b>							
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	0.00%
<b>Note: Car Park fees are being reviewed for 2020/21 and may be subject to change</b>							
<b>Enforcement Charges</b>							
<b>Fixed Penalty Fines</b>							
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.							
	<b>Fixed Penalty</b>	<b>Maximum</b>	<b>Discount</b>	<b>Fixed Penalty</b>	<b>Maximum</b>	<b>Discount</b>	
Depositing Litter	80.00	2,500.00	50.00	80.00	2,500.00	50.00	0.00%
Graffiti and fly posting	80.00	2,500.00	50.00	80.00	2,500.00	50.00	0.00%
Nuisance parking	100.00	2,500.00	60.00	100.00	2,500.00	60.00	0.00%
Fly tipping	400.00	Unlimited	300.00	400.00	Unlimited	300.00	0.00%
Exposing vehicles for sale on a road	100.00	2,500.00	No discount	100.00	2,500.00	No discount	0.00%
Repairing vehicles on a road	100.00	2,500.00	No discount	100.00	2,500.00	No discount	0.00%
Abandoning a vehicle	200.00	2,500.00	120.00	200.00	2,500.00	120.00	0.00%
Unauthorised distribution of free printed matter	80.00	2,500.00	50.00	80.00	2,500.00	50.00	0.00%
Failure to furnish documentation (Waste Carriers Licence)	300.00	Unlimited	No discount	300.00	Unlimited	No discount	0.00%
Failure to produce authority (Waste Transfer Note)	300.00	Unlimited	No discount	300.00	Unlimited	No discount	0.00%
Failure to comply with a Public Space Protection Order	100.00	2,500.00	75.00	100.00	2,500.00	75.00	0.00%
Failure to comply with a Community Protection Notice (Individual)	100.00	2,500.00	No discount	100.00	2,500.00	No discount	0.00%
Failure to comply with a Community Protection Notice (Business)	100.00	Unlimited	No discount	100.00	Unlimited	No discount	0.00%
Failure to comply with noise warning notice (licenced)	500.00	Unlimited	No discount	500.00	Unlimited	No discount	0.00%
Failure to comply with a Public Space Protection Order (Dogs)	100.00	1,000.00	50.00	100.00	1,000.00	50.00	0.00%
<b>Landlords</b>							
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:							
	<b>Charges Imposed</b>	<b>If Paid Within 14 Days</b>		<b>Charges Imposed</b>	<b>If Paid Within 14 Days</b>		
First Offence	1,000.00	750.00		1,000.00	750.00		0.00%
Second Offence	2,000.00	n/a		2,000.00	n/a		0.00%
Third Offence (and all Consequent Offences)	5,000.00	n/a		5,000.00	n/a		0.00%

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Enforcement Charges</b>							
<b>Officer Rates</b>							
For reclaiming officer costs when investigating matters that result in a legal proceeding being instituted etc.							
<b>Category A</b> - salary grade D and below			46.00			47.00	2.17%
<b>Category B</b> - salary grade E to F			61.00			62.00	1.64%
<b>Category C</b> - salary grade G			77.00			79.00	2.60%
<b>Category D</b> - Heads of Service or above			92.00			94.00	2.17%
Administration charges for works in default etc.:							
For each property or person responsible, minimum fee to apply until hourly rate and associated costs exceed this figure			56.00			57.00	1.79%
Any associated letters, reports etc.			12.00			12.00	0.00%
Officers statement for solicitors (minimum 1 hour)			Officer rates			Officer rates	
Mileage charged at current casual user rates							
<b>Note: Fees and Charges marked with an asterisk "*" are set by national legislation and will be amended as and when specified charges are amended</b>							
Complete copies of list of Registered Food Premises			320.00			320.00	0.00%
Partial copies of the list of Registered Food Premises			£30 + £3 per entry			£30 + £3 per entry	0.00%
Printed copies of Air Quality Assessment Reports etc			50.00			50.00	0.00%
Copies of or from other Public Registers:							
Complete premises files (printed, plus photocopying charge)			40.00			40.00	0.00%
Partial extracts from premises file (per request, plus copying)			20.00			20.00	0.00%
Information may be available in an electronic format. Prices available on request.							
<b>Parks</b>							
Caldecott Park - to be fixed with the café leaseholder							
<b>Special Events on Parks and Open Spaces</b>							
Sports Tournaments			Price on application			Price On Application	
Charitable Events			No Charge			No Charge	0.00%
Dog Shows - per opening day			295.00			305.00	3.39%
Fairs/Circuses - per operating day			395.00			405.00	2.53%
Fairs/Circuses - per setting up day			110.00			115.00	4.55%
Returnable deposit for new fair/circus operator			310.00			320.00	3.23%
Commercial Events			395.00			405.00	2.53%
Filming rights (per day)			210.00			215.00	2.38%
Ice Cream Licence			Price on application			Price on application	
Access to toilets for weekly events ( per 12 months)							
<b>Sports Pitches</b>							
SPORTS PITCHES ARE HIRED PER SESSION (not including time spent changing)							
All hirers must provide evidence of Public Liability insurance of £5 million and sign the current Terms and Condition of Hire							
Matches must be completed by 9pm Monday to Saturday and by 6pm on Sunday							
Rugby Football:	1 session is deemed to last up to 100 minutes						
Football:	1 session is deemed to last up to 120 minutes						
Cricket:	1 session is deemed to last up to 4 hours						
Changing Facilities:	where booked will be charged per pitch session as above						
This is an unattended service provided to specific clubs/teams by prior agreement.							
An attended service is available for a casual booking - additional charge payable							
Where an all day booking is made, morning is deemed to be one session, afternoon one session and evening one session. Each session will be charged as detailed.							



## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>Sports Pitches</b>							
		<b>Normal</b>	<b>Exempt</b>		<b>Normal</b>	<b>Exempt</b>	
<b>Senior pitch hire</b> Football, Rugby, Cricket, Gaelic Football		40.00	33.00		40.00	33.00	0.00%
<b>Intermediate pitch hire</b> Football		31.00	26.00		31.00	12.50	-51.92%
<b>Junior pitch hire</b> Football, Rugby		20.00	17.00		20.00	17.00	0.00%
<b>Mini pitch hire</b> Football		15.00	12.50		15.00	12.50	0.00%
<b>UNAUTHORISED USE OF FACILITIES - DOUBLE FEE PAYABLE</b>							
Training (per training session)		10.00	10.00		10.00	10.00	0.00%
<b>Changing Rooms (subject to change as facilities are refurbished)</b> 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.							
<b>Unattended regular use through the season on specified number of occasions (minimum 10)</b> Seniors £22 per room per occasion (no refunds unless cancelled by Council) Juniors £15 per room per occasion (no refunds unless cancelled by Council)							
			22.00			22.00	0.00%
			15.00			15.00	0.00%
<b>Juniors</b> Weekly access to toilets only (For season- dates as agreed)							
			250.00			250.00	0.00%
<b>Unattended casual use (less than 10 occasions)</b> Seniors £18.00 per room per occasion Juniors £12.50 per room per occasion							
			18.00			18.00	0.00%
			12.50			12.50	0.00%
<b>Attended Service</b> Additional £25 payable							
						Additional £25 payable	0.00%
<b>Late Booking Charges</b> Each Pitch (Including VAT) Changing room(s) (plus VAT as appropriate)							
			10.00			10.00	0.00%
			10.00			10.00	0.00%
<b>Professional Trainers (per hour)</b>							
			10.00			15.00	50.00%
<b>Housing</b>							
Private Housing Inspection and Assessment for Immigration and other purposes			120.00			120.00	0.00%
<b>House in Multiple Occupation Licence fee:</b>							
Where Landlord approaches Council			650.00			650.00	0.00%
Where Landlord is found to be running an unlicensed HMO			900.00			900.00	0.00%
Renewal of an HMO Licence			493.00			493.00	0.00%
Copy of Licence			15.00			15.00	0.00%
Variation of Licence			110.00			110.00	0.00%
Revoking licence			110.00			110.00	0.00%
Service of Hazard awareness notice			0.00			0.00	0.00%
Service of formal notice/order.			500.00			500.00	0.00%
Additional notices/orders for multiple hazards			25.00			25.00	0.00%
DBS check			44.00			44.00	0.00%
<b>Public Registers and other information</b>							
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	0.00%
Partial copies of the list of Registered Food Premises			£30 + £3 per entry			£30 + £3 per entry	0.00%
Printed copies of Air Quality Assessment Reports etc.			50.00			50.00	0.00%
<b>Copies of or from other Public Registers:</b>							
Complete premises files (printed, plus photocopying charge)			40.00			40.00	0.00%
Partial extracts form premises file (per request, plus copying)			20.00			20.00	0.00%
Information may be available in an electronic format. Prices available on request.							

## FEES AND CHARGES EFFECTIVE FROM 1ST APRIL 2020

	Current Fees			Proposed Fees			% change
	2019/20 Fees A	2019/20 Fees B	2019/20 Fees C	2020/21 Fees A	2020/21 Fees B	2020/21 Fees C	
	£	£	£	£	£	£	
<b>CORPORATE RESOURCES</b>							
<b>Legal Services</b>							
S106/Unilateral Agreements*			61.20			62.40	1.96%
Supplemental/Deed of Variation/TPOs*			30.60			32.40	5.88%
Ex-Council House Consent			61.20			62.40	1.96%
Ex-Council House Consent: Retrospective			91.80			92.20	0.44%
Leases/Shared Ownership (per copy)			61.20			61.80	0.98%
Enforcement Notices			18.40			18.40	0.00%
Smoke Control Orders			30.60			30.60	0.00%
* 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.							
<b>EXECUTIVE DIRECTOR</b>							
<b>Electoral Register</b>							
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							
<b>Freedom of Information Request</b>							
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, we won't charge you.							



Ministry of Housing,  
Communities &  
Local Government

# The provisional local government finance settlement 2020-2021

Consultation paper

December 2019

Ministry of Housing, Communities and Local Government



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December 2019

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# Scope of the consultation

Topic of this consultation:	This consultation covers proposals for the local government finance settlement for 2020-21.
Scope of this consultation:	<p>This consultation seeks views on proposals for the local government finance settlement for 2020-21, in particular from representatives of local government, before determining the final amount of Revenue Support Grant and its allocation to receiving authorities and the specified body.<sup>1</sup></p> <p>The consultation notifies representatives of local government of the general nature of the basis of distribution of Revenue Support Grant, and of the general nature of the basis of calculation of 'tariff' and 'top up' payments through this consultation document and accompanying documents, in particular the draft Local Government Finance Report for 2020-21.<sup>2</sup></p>
Geographical scope:	These proposals relate to England only.
Impact assessment:	Since the Government does not envisage that the proposals within this consultation document will have an impact on business, no impact assessment has been produced.

# Basic information

To:	The consultation will be of interest to local authorities and representative bodies for local authorities.
Body/bodies responsible for the consultation:	Local Government Finance Directorate within the Ministry of Housing, Communities and Local Government.
Duration:	This consultation is open to submissions for 4 weeks from 20 December 2019 to 17 January 2020.

<sup>1</sup> As required by section 78(5) of the Local Government Finance Act 1988.

<sup>2</sup> As required by section 78A(3) of the Local Government Finance Act 1988 and paragraph 12 of Schedule 7B to the same Act.

Enquiries:	For any enquiries about the consultation please contact <a href="mailto:lgfsettlement@communities.gov.uk">lgfsettlement@communities.gov.uk</a>
How to respond:	<p>You can respond to the questions in this consultation via a pro-forma at:</p> <p><a href="https://www.gov.uk/government/consultations/local-government-finance-settlement-2020-to-2021-consultation">https://www.gov.uk/government/consultations/local-government-finance-settlement-2020-to-2021-consultation</a></p> <p>If the link is inoperable, return address details and a list of consultation questions can be found in Annex B of this consultation document.</p> <p>Email details and an address for written responses can also be found in the pro-forma.</p>

# About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 2018, the General Data Protection Regulation and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Ministry of Housing, Communities and Local Government is bound by the Freedom of Information Act 2000 and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will process your personal data in accordance with the law and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included at Annex A.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process, please contact us via the [complaints procedure](#).



# 1. Summary of proposals

## 1.1 Introduction

**1.1.1** This consultation paper sets out the Government's proposals for the 2020-21 local government finance settlement. This document follows on from the technical consultation, launched in October 2019.<sup>3</sup>

**1.1.2** We received 219 responses to the technical consultation, and a summary of responses has been published separately:

<https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2020-to-2021-consultation>

**1.1.3** We are very grateful for your continued participation in the consultation process and all the representations received have been considered carefully.

**1.1.4** This chapter provides a summary of the proposals contained within the 2020-21 provisional settlement.

## 1.2 Background

### *Spending Round 2019*

**1.2.1** On 4 September 2019, the Government set out the outcome of Spending Round 2019. Core Spending Power for local authorities in England will rise from £46.2 billion to £49.1 billion in 2020-21. This is an increase of £2.9 billion, or an estimated 4.4% in real-terms, the largest year-on-year increase in almost a decade.

**1.2.2** To reflect the one-year Spending Round, the Government is proposing to 'roll forward' core components of the 2019-20 local government finance settlement.

**1.2.3** Under our proposals, local authorities will be able to access £1.5 billion of additional funding across adult and children's social care next year. This will support local authorities to meet rising demand and recognises the vital role that social care plays in supporting the most vulnerable people in society.

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<sup>3</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/836539/Local\\_Government\\_Finance\\_Settlement\\_2020-21\\_Technical\\_Consultation\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/836539/Local_Government_Finance_Settlement_2020-21_Technical_Consultation_.pdf)

**1.2.4** Alongside this injection of funding, the Government intends to increase elements of core settlement funding in line with inflation and maintain key local government grants at 2019-20 levels.

#### *The distribution of additional resources*

**1.2.5** Local government will also see funding increases from wider resources under our proposals. This includes SEND funding for schools and colleges, which will increase by over £700 million. There will also be a real-terms increase in the Public Health Grant and the NHS contribution to the Better Care Fund will grow in line with the planned additional investment in the NHS.

### **1.3 Breakdown of proposals included in the 2020-21 provisional settlement**

**1.3.1** *Chapter 2 – Distribution of Settlement Funding Assessment:* This chapter outlines the Government’s proposals for distributing settlement resources in 2020-21:

- updating the 2019-20 Settlement Funding Assessment in line with the change in the small business non-domestic rating multiplier, to match the planned increase in Baseline Funding Levels and Business Rates Baselines; and
- eliminating negative RSG in 2020-21 through use of forgone business rates at a cost of £152.9 million.

**1.3.2** *Chapter 3 – Council Tax:* This chapter details the Government’s intentions for council tax and referendum principles:

- a core council tax referendum principle of up to 2% for shire counties, unitary authorities, London boroughs, the Greater London Authority (GLA) general precept, and fire authorities;
- a bespoke council tax referendum principle of 2% or £5, whichever is higher, for shire districts;
- continuing the adult social care (ASC) precept at an additional 2%;
- setting no council tax referendum principles for parish councils; and
- setting no council tax referendum principles for mayoral combined authorities (MCAs).

**1.3.3 Chapter 4 – Distribution of Additional Resources:** The Government is making additional resources available to support vital front-line services, through the Social Care Grant and the improved Better Care Fund (iBCF). The Government is:

- proposing a new Social Care Grant for 2020-21 of £1.41 billion for adult and children’s services. Of this, £410 million is a direct continuation of 2019-20 Social Care Support Grant, with an injection of £1 billion of new funding;
- distributing these resources using the Adult Social Care Relative Needs Formula, including a sum of £150 million for equalisation of the impact of the council tax adult social care precept;
- maintaining existing improved Better Care Fund funding at 2019-20 levels (£1.837 billion), as well as incorporating the £240 million which was allocated as Winter Pressures Grant in 2019-20 into the improved Better Care Fund, with the same distribution as this year;
- retaining the £900 million top-slice of Revenue Support Grant to fund a new round of New Homes Bonus allocations in 2020-21, in addition to an estimated £7 million from departmental budgets; and
- continuing with the Rural Services Delivery Grant at £81m, with all recipients receiving the same amount as in the previous year.

## **1.4 Equalities**

**1.4.1 Chapter 5 – Equalities Impacts of These Proposals:** This chapter invites views and evidence on the impact that the Government’s proposals may have on persons who share a protected characteristic. It also contains a draft assessment of the impact of the 2020-21 settlement on persons who share a protected characteristic.

## **1.5 Additional Information**

- 1.5.1** A return address for responses to this consultation, along with a full list of consultation questions, is included in Annex B, and a glossary of technical terms can be found in Annex D.

## **1.6 Exemplification of the proposals**

- 1.6.1** The supporting tables accompanying this consultation exemplify the proposals for individual local authorities. These proposals represent the Government's intentions, following responses to the local government finance technical consultation, and the figures are presented on the basis of available information.
- 1.6.2** Data changes, new information or errors identified by either the department or local authorities between the publication of this consultation paper and the calculation of the final settlement may lead to changes to individual local authority exemplifications. The Government encourages local authorities to check their individual allocations.

## 2. Distribution of settlement funding assessment

### 2.1 Introduction

**2.1.1** This chapter outlines the Government's proposals for distributing central resources – the Settlement Funding Assessment (SFA), which is comprised of Revenue Support Grant (RSG) and Baseline Funding levels (BFL), in 2020-21.

### 2.2 Business Rates Retention

**2.2.1** From April 2013, local government has been funded in part through the business rates retention scheme, ensuring that local authorities have more control over the money they raise and are able to benefit directly from supporting local business growth.

**2.2.2** When the scheme started in 2013-14, the Government committed that Baseline Funding Levels and Business Rates Baselines, which are used to determine tariffs and top-ups, would be fixed in real terms until the system was reset. The Government therefore proposes not to alter the existing mechanism for determining tariff and top-up payments in 2020-21. These elements will therefore be uprated in line with the change in the small business non-domestic rating multiplier.

**2.2.3** Local authorities in Devolution Deal areas will continue to benefit from increased levels of business rates retention in 2020-21.

### 2.3 Distribution of Revenue Support Grant

**2.3.1** Recognising the need to provide stability, the Government proposed at the technical consultation to pay Revenue Support Grant (RSG) to ensure all local authorities will receive a uniform change in Settlement Funding Assessment (SFA) in 2020-21. This means RSG will also be uprated in line with the change in the small business non-domestic rating multiplier.

**2.3.2** The Government has taken the responses to the technical consultation into consideration and has now confirmed its proposals for RSG, with over 90% of respondents expressing support for the proposals. A summary of the responses to the Government's proposals for the distribution of RSG are covered in paragraphs 8-12 of the summary of responses document.<sup>4</sup>

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<sup>4</sup> <https://www.gov.uk/government/consultations/provisional-local-government-finance-settlement-2020-to-2021-consultation>

- 2.3.3** Exemplifications published alongside this consultation paper are based on an assumption that the small business non-domestic rating multiplier, based on the CPI measure for September, will be set at 49.9p in 2020-21.
- 2.3.4** A draft Local Government Finance Report (LGFR) for 2020-21 has been published alongside this document which sets out the method for allocating Revenue Support Grant.

***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?***

- 2.3.5** In 2019-20 the Government's approach to Settlement Funding Assessment included eliminating so-called negative RSG.<sup>5</sup>
- 2.3.6** At the technical consultation, the Government proposed to eliminate negative RSG again in 2020-21, using 2019-20 values of Settlement Funding Assessment as the baseline for this approach. This approach is consistent with the Government's previous commitment, made during the implementation of the business rate retention scheme in 2013-14, that authorities' retained business rates baselines would be fixed in real terms until the business rates system was reset.
- 2.3.7** In consideration of the responses to the technical consultation, eliminating negative RSG reflects the majority opinion on this issue and honours the Government's commitment not to adjust business rates tariffs and top-ups until the business rates system is reset. On this basis, the Government now confirms its proposals to eliminate negative RSG. The summary of responses document provides a breakdown of the views on negative RSG in paragraphs 13-17.

***Question 2: Do you agree with the Government's proposal to eliminate negative RSG?***

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<sup>5</sup> Please refer to section 5.1 of the 2019-20 Local Government Finance Settlement Technical Consultation for an explanation of the issue of negative Revenue Support Grant. The document is available here:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728573/Settlement\\_Technical\\_Consultation\\_2019-20.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728573/Settlement_Technical_Consultation_2019-20.pdf)

## 3. Council tax

### 3.1 Introduction

**3.1.1** At the technical consultation, the Government invited views on its proposals for a package of council tax referendum principles. An overview of the representations received, and the Government's response to these, can be found at paragraphs 18-29 of the summary of responses.

**3.1.2** Following the technical consultation, the Government remains committed to maintaining those council tax referendum principles, as they strike a balance between giving local authorities the flexibility to determine their own level of council tax and ensuring local residents have the final say on excessive increases.

**3.1.3** The technical consultation also invited views on a separate council tax referendum principle of up to 2% or £5, whichever is greater, for shire district councils. Having considered the responses and the minimal potential impact on average bills, the Government is minded to implement this separate principle in 2020-21.

### 3.2 Council tax referendum principles

**3.2.1** The Government proposes the following package of referendum principles for 2020-21:

- a core principle of up to 2%, applicable to shire county councils, unitary authorities, London borough councils, the Common Council of the City of London, the Council of the Isles of Scilly, the general precept of the Greater London Authority, and fire and rescue authorities (including Police and Crime Commissioner fire and rescue authorities);
- a bespoke council tax referendum principle of 2% or £5, whichever is higher, for shire district councils.
- an adult social care precept flexibility, for local authorities with responsibility for adult social care, of up to 2% on top of the core principle;

### **3.3 Council tax referendum principles for Mayoral Combined Authorities**

- 3.3.1** Devolution Deals have created eight Mayoral Combined Authorities (MCAs) since 2017, with powers in areas such as transport and planning. To date, seven MCAs have successfully applied for the powers to raise additional resources to meet the costs of their functions through a precept on local council tax bills, with the agreement of the Combined Authority.
- 3.3.2** In 2018-19 and 2019-20 the Government did not set a referendum principle for MCAs, on the expectation that mayors would exercise restraint and set a precept that was affordable and proportionate to their needs.
- 3.3.3** After consideration of the responses to the technical consultation, the Government proposes not to set council tax referendum principles for MCAs in 2020-21.

### **3.4 Council tax referendum principles for town and parish councils**

- 3.4.1** In 2018-19, the Government announced that it did not intend to set referendum principles for town and parish councils for three years. This was contingent on the sector taking all available steps to mitigate the need for council tax increases and the Government seeing clear evidence of restraint in the increases set by the sector.<sup>6</sup>
- 3.4.2** In 2019-20, the average Band D parish precept has increased by 4.9%. This is the same percentage increase as in 2018-19 and compares to an increase of 6.3% in 2015-16. The Government remains concerned about the pressure placed on taxpayers by parish and town councils across England and continues to expect them to exercise restraint in 2020-21.
- 3.4.3** After consideration of the responses to the technical consultation, the Government proposes to continue with no referendum principles for town and parish councils in 2020-21. The Government will keep this matter under active review for future years.

#### ***Question 3: Do you agree with the proposed package of council tax referendum principles for 2020-21?***

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<sup>6</sup> Options open to local authorities include the use of reserves, where they are not already earmarked for other uses, or through “invest to save” projects which are intended to lower on-going costs.



### **3.5 Council tax referendum principles for Police and Crime Commissioners**

**3.5.1** The Government is minded to set a council tax referendum principle for Police and Crime Commissioners, as well as the Greater Manchester and London Mayors who are responsible for police services in their areas. Further information about police funding for 2020-21 will be provided as part of the police funding settlement process.

## 4. Distribution of additional resources

### 4.1 Social care funding

**4.1.1** The Government is committed to addressing social care pressures. At Spring Budget 2017, an additional £2 billion over three years was provided for adult social care. In addition, at Autumn Budget 2018, the Government announced £650 million extra funding in 2019-20 for local authorities to help deliver the services communities need and to support the most vulnerable residents.

### 4.2 Social Care Grant

**4.2.1** At the technical consultation, the Government proposed a new Social Care Grant of £1.41 billion for adult and children's services for 2020-21. Of this, £410 million is a direct continuation of 2019-20 Social Care Support Grant, with an injection of £1 billion of new funding from Spending Review 2019.

**4.2.2** After considering the representations received during the technical consultation, the Government now confirms its proposal to use the Adult Social Care Relative Needs Formula as the basis for distributing the Social Care Support Grant.

**4.2.3** The Government will make £1.26 billion of direct allocations and proposes to use the remaining £150 million to equalise the impact of the distribution of the Adult Social Care council tax precept, using the current improved Better Care Fund equalisation methodology. An explanation of the methodology as well as a table of proposed Social Care Grant allocations is set out in Annex C.

**4.2.4** The Government proposes that this grant will not be ringfenced, and conditions or reporting requirements will not be attached. In particular, it will be for local authorities to determine how much of it should be spent on adult social care and how much should be spent on children's social care.

**4.2.5** For further information on the representations received in the technical consultation, please refer to sections 30-36 of the summary of responses document.

***Question 4: Do you agree with the Government's proposals for the Social Care Grant in 2020-21?***

### **4.3 Improved Better Care Fund**

- 4.3.1** The purpose of the improved Better Care Fund (iBCF) is to meet adult social care needs, reduce pressure on the NHS, and ensure that the local social care provider market is supported.
- 4.3.2** The iBCF was first announced in Spending Review 2015 and is paid as a direct grant to local government, with a condition that it is pooled into the Better Care Fund (BCF). The iBCF grant allocations were increased at Spring Budget 2017 with an additional £2 billion funding. This additional funding was also pooled into the Better Care Fund over the period 2017-18 to 2019-20.
- 4.3.3** Following the technical consultation, the Government proposes to continue existing iBCF funding at 2019-20 levels (£1.837 billion), using the same methodology as in 2019-20. The condition that the iBCF must be pooled into the Better Care Fund will continue in 2020-21.
- 4.3.4** In 2019-20, the Government provided £240 million through a Winter Pressures Grant which was ringfenced for use by local authorities to alleviate winter pressures on the NHS. The Government proposes that, in 2020-21, this £240 million will not be ringfenced for that purpose. It will instead be incorporated into the iBCF and allocated using the existing Adult Social Care Relative Needs Formula, as in 2019-20.
- 4.3.5** The summary of responses document provides further details on the responses to the technical consultation surrounding the Government's proposals for iBCF in 2020-21, in paragraphs 37-41.

#### ***Question 5: Do you agree with the Government's proposals for iBCF in 2020-21?***

### **4.4 Better Care Fund 2020-21**

- 4.4.1** As stated in the technical consultation, the Government remains committed to integrating health and social care and can confirm that the Better Care Fund (BCF) will continue in 2020-21. As well as announcing continued iBCF funding, the Spending Round announced that the NHS contribution to adult social care through the BCF will increase by 3.4% in real terms in 2020-21.
- 4.4.3** Details of the BCF for 2020-21 will be issued in due course.

## **4.5 New Homes Bonus**

### *Background*

**4.5.1** The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. With the addition of this year's allocations, £8.8 billion has been allocated to local authorities through this fund to reward additional housing supply.

**4.5.2** Although it was successful in encouraging authorities to support housing growth, New Homes Bonus did not originally reward those authorities who are the most open to growth. In December 2016, following consultation, the Government announced reforms to New Homes Bonus as follows:

- reducing the number of years New Homes Bonus payments are made (legacy payments) from 6 to 5 years in 2017-18 and to 4 years from 2018-19; and
- introducing a national baseline for housing growth of 0.4% of council tax base (weighted by band) from 2017-18, below which New Homes Bonus will not be paid.

### *New Homes Bonus in 2020-21*

**4.5.3** At the technical consultation, the Government proposed the following for the New Homes Bonus scheme in 2020-21:

- retaining the £900 million top-slice of Revenue Support Grant to fund New Homes Bonus payments;
- a new round of allocations for 2020-21, allocated in line with previous years; and
- making no legacy payments on these new allocations, but making legacy payments on allocations from earlier years.

**4.5.4** Due to a continued upwards trend for house building, in the technical consultation the Government indicated that decisions on the payments baseline for 2020-21 would be made following the publication of council tax base statistics in November.

**4.5.5** After careful consideration of the responses to the technical consultation and the additional housing stock numbers reported through the council tax base data, the Government has decided not to make any change to the payments baseline, and this will remain at 0.4% for the 2020-21 allocations.

**4.5.6** Provisional New Homes Bonus allocations for 2019-20 are being announced alongside this provisional settlement. Based on the most recent council tax base data available, the cost of Bonus payments relating to 2020-21 is forecast to be £284 million. Combining this with the cost of legacy payments provides an estimated total Bonus payment of £907 million in 2020-21, with an estimated £7 million from departmental resources.

**4.5.7** Details of the provisional allocations, and how the allocations have been calculated, can be found here:

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2020-to-2021>

**4.5.8** For details of the responses to the technical consultation, please see paragraphs 42-45 of the summary of responses document.

***Question 6: Do you agree with the Government's proposal to fund the New Homes Bonus in 2020-21 with the planned £900 million from Revenue Support Grant, with additional funding being secured from departmental resources, and to allocate the funds in line with previous years but with no legacy payments?***

## **4.7 Rural Services Delivery Grant**

**4.7.1** In recognition of additional cost pressures in rural areas, the Government proposes to roll-forward 2019-20 allocations of Rural Services Delivery Grant, totalling £81 million.

**4.7.2** Allocations in 2019-20 were distributed to the top quartile of local authorities on the basis of the 'super-sparsity' indicator, which ranks authorities by the proportion of the population which is scattered widely, using Census data and weighted towards the authorities with the sparsest populations.

**4.7.3** In consideration of the near even split of technical consultation responses to this question, and in the interests of stability of funding in a year in which the Government is proposing to roll forward the previous settlement, the Government has decided to include this proposal as part of the provisional local government finance settlement for 2020-21.

***Question 7: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?***

## 5. Equalities impacts of these proposals

### 5.1 Draft Equality Statement

5.1.1 In the 2020-21 local government finance settlement technical consultation, we sought views on the impact of the proposals for the 2020-21 settlement on persons who share a protected characteristic. A draft assessment of the impact of the 2020-21 local government finance settlement has been published alongside this consultation document at:

<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2020-to-2021>

***Question 8: Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide evidence to support your comments.***

# Annex A: Privacy notice

## Personal data

The following is to explain your rights and give you the information you are entitled to under the Data Protection Act 2018.

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

### **1. The identity of the data controller and contact details of our Data Protection Officer**

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at [dataprotection@communities.gov.uk](mailto:dataprotection@communities.gov.uk)

### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

### **3. Our legal basis for processing your personal data**

The Data Protection Act 2018 states that, as a government department, MHCLG may process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation. This consultation fulfils mandatory statutory requirements to consult under sections 78(5), 78A(3) and paragraph 12 of Schedule 7B of the Local Government Finance Act 1988.

### **4. With whom we will be sharing your personal data**

Other Government Departments including:

- Attorney General's Office
- Cabinet Office
- Department for Business, Energy and Industrial Strategy
- Department for Digital, Culture, Media and Sport
- Department for Education Department for Environment
- Food and Rural Affairs
- Department for Exiting the European Union
- Department for International Development
- Department for International Trade
- Department for Transport
- Department for Work and Pensions
- Department of Health and Social Care

- Foreign and Commonwealth Office
- Her Majesty's Treasury
- Home Office
- Ministry of Defence
- Ministry of Justice
- Northern Ireland Office
- Office of the Advocate General for Scotland
- Office of the Leader of the House of Commons
- Office of the Leader of the House of Lords
- Scotland Office UK
- Export Finance
- Wales Office

**5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for two years from the closure of the consultation.

**6. Your rights, e.g. access, rectification, erasure**

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have all or some of your data deleted or corrected
- d. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

**7. Your personal data will not be sent overseas.**

**8. Your personal data will not be used for any automated decision making.**

**9. Your personal data will be stored in a secure government IT system.**



## Annex B: Address details & list of consultation questions

If the pro-forma link is inoperable, written responses may be sent by email or post to:

[LGFsettlement@communities.gov.uk](mailto:LGFsettlement@communities.gov.uk)

or

Local Government Finance Settlement Team  
Ministry of Housing, Communities and Local Government  
2nd floor, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

When replying to this consultation please confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name,
- your position (if applicable),
- the name of organisation (if applicable),
- an address (including post-code),
- an email address, and
- a contact telephone number

***Question 1: Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?***

***Question 2: Do you agree with the Government's proposal to eliminate negative RSG?***

***Question 3: Do you agree with the proposed package of council tax referendum principles for 2020-21?***

**Question 4: Do you agree with the Government's proposals for the Social Care Grant in 2020-21?**

**Question 5: Do you agree with the Government's proposals for iBCF in 2020-21?**

**Question 6: Do you agree with the Government's proposal to fund the New Homes Bonus in 2020-21 with the planned £900 million from Revenue Support Grant, with additional funding being secured from departmental resources, and to allocate the funds in line with previous years but with no legacy payments?**

**Question 7: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?**

**Question 8: Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide evidence to support your comments.**

## Annex C: Social Care Grant provisional allocations and equalisation methodology

The proposed equalisation methodology for Social Care Grant in 2020-21 is based on identifying the total potential new resource for social care to be equalised.

This is the sum of the additional grant funding to be used for equalisation (in this case £150m) plus the total potential increase in council tax precept income in that year as a result of the proposed 2% Adult Social Care precept referendum principle (approximately £500 million). This amount is then allocated between authorities on the basis of the Relative Needs Formula.

The amount for each local authority is then reduced by its potential council tax precept income.

The resulting figure is then essentially that authority's share of the equalisation amount (£150 million).

However, for a small number of authorities, the precept income exceeds the needs share, and in these cases the equalisation component of the grant is set to zero and the authority concerned retains the potential council tax resources in excess of their calculated needs share.

This results in turn in a grant total for equalisation which exceeds £150 million; to reduce this to the required level, the grant payments for each authority are reduced, by amounts in proportion to the figure for each authority. The resulting amounts are shown in the second column of the table below and are added to the other grant components to give the overall total. From this, all authorities receive over 97% of their needs-based share of the total new resources.

As signalled in the technical consultation, these provisional figures have been updated to reflect the effect of local authority restructuring and proposed Alternative Notional Amounts on the council tax levels of restructuring authorities.

Social Care Grant 2020-21: Provisional Allocations				
Authority	Element used to equalise for 2% ASC precept flexibility	Remaining new funding, using 2013-14 ASC RNF	Rollover of 2019-20 Social Care Support Grant	Total 2020-21 Social Care Grant
	(£)	(£)	(£)	(£)
<b>England</b>	<b>150,000,000</b>	<b>850,000,000</b>	<b>410,000,000</b>	<b>1,410,000,000</b>
Barking and Dagenham	1,077,136	3,233,759	1,559,813	<b>5,870,708</b>
Barnet	243,641	5,126,523	2,472,794	<b>7,842,958</b>

Barnsley	1,291,870	4,386,003	2,115,602	<b>7,793,475</b>
Bath & North East Somerset	99,124	2,584,541	1,246,661	<b>3,930,326</b>
Bedford	-	2,198,710	1,060,554	<b>3,259,264</b>
Bexley	232,632	3,287,993	1,585,973	<b>5,106,598</b>
Birmingham	7,344,771	19,834,379	9,567,171	<b>36,746,322</b>
Blackburn with Darwen	911,504	2,707,308	1,305,878	<b>4,924,690</b>
Blackpool	1,177,472	3,200,550	1,543,795	<b>5,921,817</b>
Bolton	1,342,899	4,923,279	2,374,758	<b>8,640,937</b>
Bournemouth Christchurch and Poole	445,961	6,197,541	2,985,959	<b>9,629,461</b>
Bracknell Forest	-	1,281,502	618,136	<b>1,899,638</b>
Bradford	2,024,642	8,135,950	3,924,399	<b>14,084,991</b>
Brent	1,000,126	4,756,589	2,294,354	<b>8,051,069</b>
Brighton & Hove	364,398	4,351,504	2,098,961	<b>6,814,863</b>
Bristol	1,026,196	7,183,796	3,465,125	<b>11,675,117</b>
Bromley	-	4,216,196	2,033,694	<b>6,249,890</b>
Buckinghamshire Council	-	5,919,253	2,855,169	<b>8,774,422</b>
Bury	481,770	2,892,518	1,395,214	<b>4,769,502</b>
Calderdale	562,076	3,260,518	1,572,720	<b>5,395,314</b>
Cambridgeshire	221,713	8,231,033	3,970,263	<b>12,423,009</b>
Camden	1,089,140	4,553,741	2,196,510	<b>7,839,390</b>
Central Bedfordshire	-	3,066,985	1,479,369	<b>4,546,354</b>
Cheshire East	-	5,137,675	2,478,173	<b>7,615,848</b>
Cheshire West & Chester	183,920	5,196,400	2,506,499	<b>7,886,819</b>
City of London	-	172,800	83,351	<b>256,151</b>
Cornwall	1,378,186	9,893,235	4,772,031	<b>16,043,452</b>
Coventry	1,287,752	5,493,344	2,649,731	<b>9,430,827</b>
Croydon	75,109	4,963,076	2,393,954	<b>7,432,139</b>
Cumbria	1,815,110	8,879,744	4,283,171	<b>14,978,025</b>
Darlington	321,147	1,774,984	856,169	<b>2,952,300</b>
Derby	1,020,114	4,067,849	1,962,139	<b>7,050,102</b>
Derbyshire	2,897,340	12,846,708	6,196,648	<b>21,940,697</b>
Devon	1,388,573	12,663,344	6,108,201	<b>20,160,118</b>
Doncaster	1,635,240	5,347,491	2,579,378	<b>9,562,109</b>
Dorset Council	-	6,044,757	2,919,150	<b>8,963,907</b>
Dudley	1,573,892	5,530,739	2,667,768	<b>9,772,399</b>
Durham	2,833,605	9,995,914	4,821,558	<b>17,651,077</b>
Ealing	924,385	5,020,555	2,421,679	<b>8,366,618</b>
East Riding of Yorkshire	439,595	5,121,138	2,470,196	<b>8,030,929</b>
East Sussex	1,055,842	9,157,513	4,417,153	<b>14,630,508</b>
Enfield	848,703	4,599,334	2,218,502	<b>7,666,539</b>
Essex	2,174,623	20,964,875	10,112,469	<b>33,251,967</b>
Gateshead	1,110,756	4,013,716	1,936,028	<b>7,060,500</b>
Gloucestershire	702,946	8,960,361	4,322,057	<b>13,985,364</b>

Greenwich	1,434,158	4,711,396	2,272,556	<b>8,418,110</b>
Hackney	1,911,290	4,976,053	2,400,214	<b>9,287,557</b>
Halton	651,482	2,263,593	1,091,851	<b>4,006,926</b>
Hammersmith and Fulham	1,134,384	3,252,600	1,568,901	<b>5,955,885</b>
Hampshire	-	16,838,843	8,122,265	<b>24,961,108</b>
Haringey	930,722	4,066,550	1,961,512	<b>6,958,784</b>
Harrow	47,276	3,434,809	1,656,790	<b>5,138,875</b>
Hartlepool	468,046	1,774,812	856,086	<b>3,098,944</b>
Havering	170,512	3,561,794	1,718,042	<b>5,450,348</b>
Herefordshire	251,853	3,118,840	1,504,382	<b>4,875,075</b>
Hertfordshire	-	14,642,720	7,062,959	<b>21,705,679</b>
Hillingdon	430,458	3,687,256	1,778,559	<b>5,896,273</b>
Hounslow	523,379	3,539,335	1,707,209	<b>5,769,924</b>
Isle of Wight Council	300,908	2,714,387	1,309,293	<b>4,324,588</b>
Isles of Scilly	629	44,841	21,630	<b>67,100</b>
Islington	1,430,704	4,554,190	2,196,727	<b>8,181,621</b>
Kensington and Chelsea	542,466	3,069,937	1,480,793	<b>5,093,196</b>
Kent	2,003,471	21,832,371	10,530,908	<b>34,366,750</b>
Kingston upon Hull	1,996,416	5,145,840	2,482,111	<b>9,624,367</b>
Kingston upon Thames	-	2,030,009	979,181	<b>3,009,190</b>
Kirklees	1,266,501	6,587,080	3,177,297	<b>11,030,878</b>
Knowsley	1,412,912	3,460,406	1,669,137	<b>6,542,455</b>
Lambeth	1,416,005	5,344,078	2,577,732	<b>9,337,815</b>
Lancashire	4,446,004	19,543,454	9,426,843	<b>33,416,301</b>
Leeds	2,272,625	11,725,500	5,655,829	<b>19,653,954</b>
Leicester	1,726,071	5,573,657	2,688,470	<b>9,988,197</b>
Leicestershire	349,079	8,550,459	4,124,339	<b>13,023,877</b>
Lewisham	1,252,929	4,844,582	2,336,798	<b>8,434,310</b>
Lincolnshire	2,803,312	11,928,156	5,753,581	<b>20,485,049</b>
Liverpool	4,002,162	10,473,090	5,051,726	<b>19,526,978</b>
Luton	549,655	2,791,275	1,346,380	<b>4,687,310</b>
Manchester	3,567,075	9,442,260	4,554,502	<b>17,563,837</b>
Medway	253,018	3,534,127	1,704,697	<b>5,491,842</b>
Merton	131,225	2,648,847	1,277,679	<b>4,057,751</b>
Middlesbrough	838,046	2,684,362	1,294,810	<b>4,817,218</b>
Milton Keynes	62,238	3,216,109	1,551,300	<b>4,829,647</b>
Newcastle upon Tyne	1,666,509	5,315,442	2,563,919	<b>9,545,870</b>
Newham	2,101,400	5,200,629	2,508,539	<b>9,810,568</b>
Norfolk	2,817,176	14,799,485	7,138,575	<b>24,755,236</b>
North East Lincolnshire	693,415	2,761,473	1,332,004	<b>4,786,892</b>
North Lincolnshire	519,828	2,694,922	1,299,903	<b>4,514,652</b>
North Somerset	250,601	3,272,307	1,578,407	<b>5,101,315</b>
North Tyneside	794,100	3,651,730	1,761,423	<b>6,207,253</b>

North Yorkshire	324,512	8,583,586	4,140,318	<b>13,048,417</b>
Northamptonshire	1,040,103	9,623,090	4,641,726	<b>15,304,918</b>
Northumberland	457,651	5,388,477	2,599,148	<b>8,445,276</b>
Nottingham	1,655,030	5,489,681	2,647,964	<b>9,792,675</b>
Nottinghamshire	1,869,769	12,491,707	6,025,412	<b>20,386,888</b>
Oldham	1,062,235	3,975,005	1,917,355	<b>6,954,595</b>
Oxfordshire	-	8,115,922	3,914,739	<b>12,030,661</b>
Peterborough	512,707	2,810,883	1,355,838	<b>4,679,429</b>
Plymouth	1,111,629	4,547,870	2,193,679	<b>7,853,178</b>
Portsmouth	716,845	3,153,561	1,521,129	<b>5,391,535</b>
Reading	-	2,016,987	972,900	<b>2,989,887</b>
Redbridge	538,806	3,952,416	1,906,459	<b>6,397,681</b>
Redcar and Cleveland	631,638	2,550,797	1,230,384	<b>4,412,819</b>
Richmond upon Thames	-	2,340,482	1,128,938	<b>3,469,420</b>
Rochdale	1,106,456	3,925,436	1,893,446	<b>6,925,338</b>
Rotherham	1,330,446	4,764,558	2,298,199	<b>8,393,203</b>
Rutland	-	480,676	231,855	<b>712,531</b>
Salford	1,206,504	4,666,741	2,251,016	<b>8,124,261</b>
Sandwell	2,615,054	6,544,745	3,156,877	<b>12,316,676</b>
Sefton	1,309,240	5,400,635	2,605,012	<b>9,314,887</b>
Sheffield	2,660,723	9,581,141	4,621,492	<b>16,863,357</b>
Shropshire	565,286	4,936,458	2,381,115	<b>7,882,859</b>
Slough	176,930	1,825,563	880,565	<b>2,883,058</b>
Solihull	214,852	3,082,511	1,486,858	<b>4,784,221</b>
Somerset	1,592,854	8,845,550	4,266,677	<b>14,705,081</b>
South Gloucestershire	-	3,311,620	1,597,369	<b>4,908,989</b>
South Tyneside	1,135,487	3,241,548	1,563,570	<b>5,940,604</b>
Southampton	871,259	3,929,075	1,895,201	<b>6,695,535</b>
Southend-on-Sea	534,851	2,918,335	1,407,667	<b>4,860,852</b>
Southwark	1,768,968	5,562,710	2,683,190	<b>10,014,868</b>
St Helens	995,810	3,410,114	1,644,878	<b>6,050,802</b>
Staffordshire	2,244,360	12,544,457	6,050,856	<b>20,839,673</b>
Stockport	277,984	4,544,721	2,192,160	<b>7,014,865</b>
Stockton-on-Tees	430,650	2,993,553	1,443,949	<b>4,868,153</b>
Stoke-on-Trent	1,698,773	4,717,131	2,275,322	<b>8,691,225</b>
Suffolk	2,061,180	11,550,789	5,571,557	<b>19,183,526</b>
Sunderland	2,017,998	5,552,545	2,678,287	<b>10,248,830</b>
Surrey	-	14,147,673	6,824,172	<b>20,971,845</b>
Sutton	-	2,611,208	1,259,524	<b>3,870,732</b>
Swindon	-	2,724,446	1,314,145	<b>4,038,591</b>
Tameside	1,138,354	4,087,211	1,971,478	<b>7,197,043</b>
Telford and the Wrekin	672,504	2,742,279	1,322,746	<b>4,737,529</b>
Thurrock	388,439	2,316,974	1,117,599	<b>3,823,011</b>

Torbay	766,249	2,934,553	1,415,490	<b>5,116,292</b>
Tower Hamlets	1,676,076	5,188,416	2,502,648	<b>9,367,141</b>
Trafford	492,676	3,349,371	1,615,579	<b>5,457,625</b>
Wakefield	1,434,847	5,839,767	2,816,829	<b>10,091,443</b>
Walsall	1,270,445	5,071,046	2,446,034	<b>8,787,525</b>
Waltham Forest	729,435	3,855,784	1,859,849	<b>6,445,069</b>
Wandsworth	2,073,740	4,595,157	2,216,487	<b>8,885,384</b>
Warrington	230,346	2,917,403	1,407,218	<b>4,554,968</b>
Warwickshire	-	7,914,152	3,817,415	<b>11,731,567</b>
West Berkshire	-	1,774,012	855,700	<b>2,629,712</b>
West Sussex	-	11,699,725	5,643,397	<b>17,343,122</b>
Westminster	2,208,622	4,686,189	2,260,397	<b>9,155,207</b>
Wigan	1,765,220	5,639,122	2,720,047	<b>10,124,389</b>
Wiltshire	-	6,456,684	3,114,401	<b>9,571,085</b>
Windsor and Maidenhead	-	1,687,452	813,947	<b>2,501,399</b>
Wirral	1,810,647	6,376,310	3,075,632	<b>11,262,590</b>
Wokingham	-	1,422,295	686,048	<b>2,108,343</b>
Wolverhampton	1,467,403	4,875,024	2,351,482	<b>8,693,909</b>
Worcestershire	983,581	8,445,547	4,073,734	<b>13,502,862</b>
York	130,876	2,591,794	1,250,159	<b>3,972,829</b>

# Annex D: Glossary of technical terms

## **Baseline Funding Level**

The amount of an individual local authority's 2013-14 Settlement Funding Assessment provided through the *local share* of the Estimated Business Rates Aggregate updated each year by the change to the small business multiplier (in line with CPI in 2018-19, 2019-20 and 2020-21).

## **Better Care Fund (BCF)**

The Better Care Fund is jointly comprised of central Government and NHS funds. The NHS's contribution to the fund has been over £4 billion, growing in line with investment in the NHS. The BCF aims to improve joint working and promote partnerships in local health and social care.

## **Business Rates Baseline (BRB)**

An authority's BRB determined on an individual basis at the outset of the business rates retention scheme. It is calculated by dividing the *local share* of the Estimated Business Rates Aggregate (England) between billing authorities on the basis of their proportionate shares, before the payment of any major precepting authority share.

## **Business rates retention**

Business rates are a tax on non-domestic properties. Billing authorities have a responsibility to issue bills and collect rates in their areas. Since 2013-14, local government has retained 50% of its business rates – worth around £12.5 billion – which is distributed across the sector.

## **Central share**

The proportion of business rates not retained by local authorities.

## **Core Spending Power**

A measure of the revenue funding available for local authority services. This includes council tax; business rates; Revenue Support Grant; New Homes Bonus; adult social care grants; and, other grants.

## **Council tax referendum principles**

These mark levels of council tax increases (either in percentage or cash terms) above which a local authority must hold a referendum which allows residents to approve or veto the increase. The comparison is made between the authority's average band D council tax level for the current financial year and the proposed average band D for the next financial year.



## **Devolution Deals**

Introduced in 2014, Devolution Deals are a bespoke arrangement tailored to certain local authorities. Devolution Deals give local government greater powers and more autonomy over budgeting.

## **Equalisation**

The process through which a proportion of Social Care Grant funding is used to take account of the impact of the distribution of the Adult Social Care council tax precept.

## **Local Government Departmental Expenditure Limit (LG DEL)**

The departmental budget derived from central Government resources for the purposes of local government.

## **Local share**

The percentage share of locally collected business rates that is retained by local government.

## **New Homes Bonus**

The New Homes Bonus acts as an incentive to increase housing supply and spur growth. The level of funding for an area reflects additional housing supply in that area. Most authorities receive some form of New Homes Bonus funding from central Government.

## **Precept**

A council tax charge from local authorities which do not issue bills themselves. These include county councils, police and crime commissioners, fire and rescue authorities, the Greater London Authority, combined authority mayors, and town and parish councils. Billing authorities – usually shire district councils or unitary authorities – collect council tax on behalf of precepting authorities and pass the proceeds to them.

## **Revenue Support Grant**

Billing and major precepting authorities receive Revenue Support Grant from central Government in addition to their local share of Business Rates Aggregate.

## **Rural Services Delivery Grant**

Funding provided in recognition of the possible additional costs of delivery services in sparsely populated areas.

## **Safety net**

Mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5% below their *baseline funding level* (with baseline funding levels being uprated by the small business rates multiplier for the purposes of assessing eligibility for support).

## **SEND**

Special Educational Needs & Disabilities fund.

## **Settlement Funding Assessment**

A local authority's share of the local government spending control total comprising its Revenue Support Grant and its *baseline funding level* for the year in question.

## **Small business non-domestic rating multiplier**

If your property in England has a rateable value below £51,000, your bill will be calculated using the small business multiplier, which is lower than the standard one. This is the case even if you do not get small business rate relief.

## **Spending Review**

The Spending Review sets out the long-term spending limits for all Government departments, typically covers the next three or four years.

## **Spending Round**

The Spending Round sets out the short-term spending limits for all Government departments, typically covers a full calendar year.

## **Tariffs and top-ups**

Calculated by comparing at the outset of the business rate retention scheme an individual authority's business rates baseline against its baseline funding level. Tariffs and top-ups are self-funding, fixed at the start of the scheme, then indexed in line with the change in the small business rating multiplier.

## **Tariff authority**

An authority with, at the outset of the scheme, a higher individual authority business rates baseline than its baseline funding level, and which therefore pays a tariff.

## **Top-up authority**

An authority with, at the outset of the scheme, a lower individual authority business rates baseline than its baseline funding level, and which therefore receives a top-up.

## Consultation response pro-forma

### Provisional Local Government Finance Settlement 2020-21

If you are responding to this consultation by email or in writing, please reply using this questionnaire pro-forma, which should be read alongside the consultation document.

You should save the pro-forma on your own device, from which you can complete the survey at your own pace and submit when you are ready.

There are 8 questions. You do not have to answer every question should you not wish to.

Should you wish to attach further evidence or supporting information, you may attach and send this with the pro-forma.

Please **email responses to:**

[LGSettlement@communities.gov.uk](mailto:LGSettlement@communities.gov.uk)

Alternatively, **written responses should be sent to:**

Local Government Finance Settlement Team  
 Ministry of Housing, Communities and Local Government  
 2nd floor, Fry Building  
 2 Marsham Street  
 London  
 SW1P 4DF

Your opinions are valuable to us. Thank you for taking the time to read the consultation document and respond.

#### **Your Details (Required details are marked with an asterisk (\*))**

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Organisation*	Rugby Borough Council
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Town/City*	Rugby
Postcode*	CV21 2RR
Country	United Kingdom
Email address*	jon.illingworth@rugby.gov.uk
Phone Number	01788 533410

## Consultation response pro-forma

**Are the views Expressed on this form an official response from a:**

London Borough

Metropolitan District

Unitary Authority

Shire County

Shire District

Fire and Rescue Authority

Greater London Authority

Combined Authority

Parish or Town Council

Local Authority Association or Special Interest Group

Other Local Authority Grouping

Local Authority Officer

Local Authority Councillor

Member of Parliament

Other Representative Group

Business

Business Organisation

Valuation Organisation

Voluntary Organisation

Member of the Public

# Consultation response pro-forma

## Question 1

### **Do you agree with the Government's proposed methodology for the distribution of Revenue Support Grant in 2020-21?**

We endorse the Society of District Council Treasurer's response to Question 1:

*The Society welcomes the Government proposals to keep the existing mechanism for determining tariff and top-up payments in 2020/21 and the proposal that all local authorities will receive a uniform change in Settlement Funding Assessment in 2020/21, uprated in line with the change in the small business non-domestic rating multiplier. To adopt any other approach with the impending fundamental reforms to the system could potentially have led to wide fluctuations in the level of support to individual authorities between the three years from 2019/20 to 2021/22.*

*We are however still concerned that, while the Government has taken some steps towards addressing the significant funding shortfalls for upper tier authorities through additional resources for Social Care Grant, there are no corresponding measures to address the financial pressures facing lower tier authorities. In particular, the Government needs to address the significant financial pressures facing shire districts from homelessness and the increased demand for temporary accommodation. The Homelessness Reduction Act, Welfare Reform and Universal credit has led to a significant financial impact for many district councils and whilst there is £54m included in the Spending Round which is welcome, this will not be sufficient to meet this pressure. The short-term nature of the Flexible Housing Support Grant and New Burdens grant for Homelessness is also not helpful when Councils need to put in place longer term preventative measures.*

*Aside from this, Shire districts only have an inflation linked increase to the Settlement Funding Assessment and Council Tax. Any additional financial pressures above inflation increases and increased demand on services that are facing lower tier authorities will have to continue to be met from reserves or by making further savings. This situation cannot continue indefinitely.*

## Consultation response pro-forma

### Question 2

#### ***Do you agree with the Government's proposal to eliminate negative RSG?***

Yes, we agree with the Government's decision to eliminate negative RSG.

### Question 3

#### ***Do you agree with the proposed package of council tax referendum principles for 2020-21?***

This Council does not agree with the principle of council tax referendums. As Councils continue to make substantial efficiency savings to offset the loss of core funding streams, they should be free to determine council tax levels that are appropriate for local circumstances. Authorities should be free to engage and consult on council tax proposals with their residents alongside other service and resultant budgetary changes without the requirement to undertake a formal referendum.

As a Council we supported government policy to freeze bills in previous years and now we no-longer receive freeze grant and have less ability to raise additional council tax funds when compared with other authorities who did not increase freeze grant.

The average band D council tax for Rugby Borough Council is £211.15 (including Parish Precepts). Each 1% increase raises an additional £73k.

A new waste collection round requires approximately 3% council tax increase. Therefore, given we're being capped at 1.99% or £5 – this doesn't even cover the new waste round, never mind the increasing costs of our other services.

It would be very helpful if the Government could provide absolute certainty about the maximum council tax increases at an earlier stage or confirm the rise over the medium term alongside any multi-settlement offer: only getting final confirmation in the provisional settlement is very late in the budget setting process.

We endorse the Society of District Council Treasurer's response to question 3.

*The Society does not support the principle of council tax referendums. It believes that as Councils are democratically elected they should be accountable for their local tax decisions rather than these being determined by Central Government.*

*We are disappointed with the Government's interpretation of the response to the technical consultation on the issue of the separate principle for shire districts. 80% of*

## Consultation response pro-forma

*the respondents supported this principle and the parameters of 2% of £5 whichever is the greater. However, of the 158 respondents supporting this only 81 (51%) were actually shire districts.*

*We still believe that there should be greater flexibility than the 2% threshold or £5 limit for shire districts. As a minimum, and in order to be consistent with treating 2020/21 as a roll-over year, the referendum limit should have been increased to 3% as in previous years. The criteria for a referendum should also be based on an increase in cash amounts rather than on a percentage increase. Using a percentage increase will only serve to widen the gap in council tax between those councils at the higher and lower ends of the scale.*

*In the technical consultation we pointed out that only 17 shire districts would come into the scope of a 2% increase being greater than £5, (this is less than 10% of all Districts) so the inclusion of a percentage increase set at that level for a referendum would seem superfluous.*

*We still fail to understand why Combined Mayoral Authorities continue to enjoy exemption from the referendum principle. The Government's only reasoning is that 'mayors would exercise restraint' but we are unsure why the Government does not believe that local councils would not do the same.*

*We are also disappointed that the District Councils' Network proposal for a prevention council tax precept (a 2% prevention levy for shire districts) to reflect the key role that districts play in prevention and demand reduction across the county has been ignored. There continues to be a lack of recognition of the contribution districts are making to the broader health and wellbeing preventative agenda through our leisure facilities and activities, parks and open spaces, provision of good quality housing.*

*We agree that it is sensible not to extend the referendum principle to town and parish councils. There is a significant administrative cost to councils in holding a referendum and these could be greater than the amounts that are the subject of the referendum. The requirement for a referendum would also stifle local councils' ability to undertake one off larger scale projects.*

## Consultation response pro-forma

### Question 4

***Do you agree with the Government's proposals for the Social Care Grant in 2020-21?***

We endorse the Society of District Council Treasurer's Response to Question 4.

*The Society agrees with the proposals. The Council does not have any further observations on the distribution of this amount but we would re-iterate comments that we have made in previous consultations that the Government recognise the role that shire districts could undertake in preventative adult social care work in areas such as housing and housing adaptations, sport and leisure provision and environmental health.*

### Question 5

***Do you agree with the Government's proposals for iBCF in 2020-21?***

We have no comment to make on this.

### Question 6

***Do you agree with the Government's proposal to fund the New Homes Bonus in 2020-21 with the planned £900 million from Revenue Support Grant, with additional funding being secured from departmental resources, and to allocate the funds in line with previous years but with no legacy payments?***

Although New Homes Bonus is being continued for a further year the announcement says there will be no legacy payments relating to 2020/21 and the future of this major funding stream for shire districts remains uncertain after that year.

The removal of the New Homes Bonus Scheme (NHB) will result in a significant loss of income to pro-growth authorities such as Rugby Borough Council. It is estimated this Council will lose **£10.6m of NHB income in the next 4 years**. Therefore, it is essential that councils are given the earliest notice of any proposed transitional arrangements in connection with the introduction of a future housing incentive scheme.

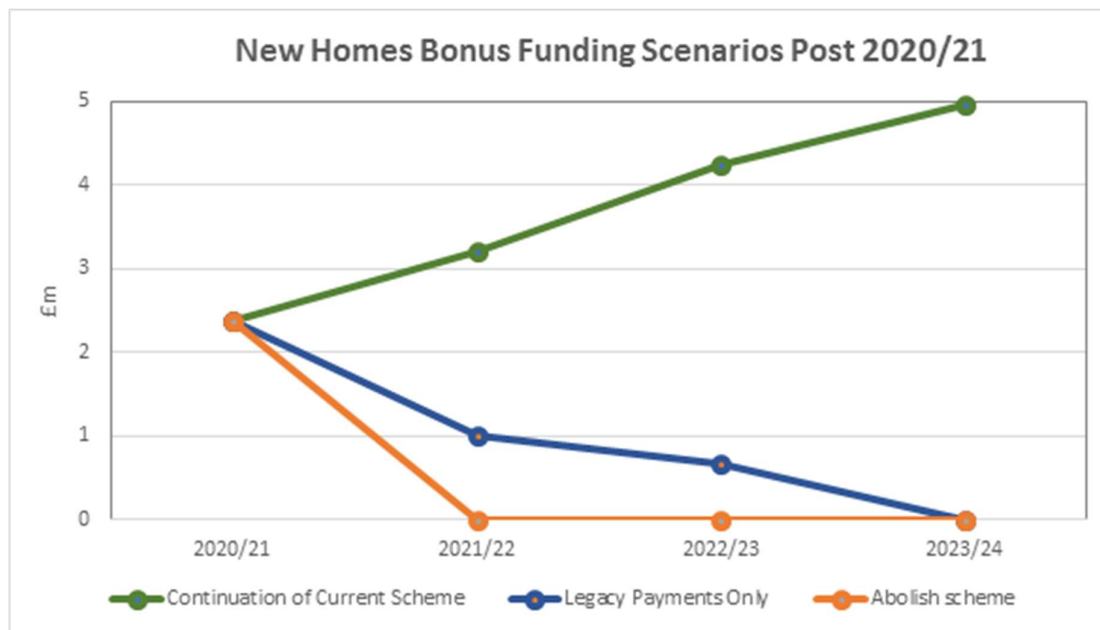
Whilst NHB is a mechanism for incentivising housing growth, it is significantly subsidising the cost of delivering our services, to our increasing number of residents. A new waste collection round requires approximately a 3% council tax increase. Therefore, given we're being capped at 1.99% or £5 – this doesn't even cover the new waste round, never mind the increasing costs of our other services.



## Consultation response pro-forma

So increasing council tax by the maximum amount simply cannot support the cost of basic services such as waste collection. It is imperative that this situation is reviewed imminently, and any alternative schemes being considered are on par.

The chart below shows the range of different financial outcomes for NHB post 2020/21.



	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	4 YEAR TOTAL £m
Continuation of current scheme	2.4	3.2	4.2	4.9	14.7
Legacy payments only beyond 2021/22	2.4	1.0	0.7	0	4.1
Removal of current scheme	2.4	0	0	0	2.4

The green line represents the best case scenario where the current scheme will continue the same as it does in 2019/20. Under such a scenario, the Council continues to benefit from housing growth and would earn £14.7m of NHB over the next four years.

The Council's current Medium Term Financial Plan (MTFP) is based on the 2020/21 Provisional Settlement announcement. The blue line presents the funding position as per the MTFP and shows **the Council would lose out on £10.6m of NHB payments in the next four years.**

The orange line presents a worst case scenario where the scheme is removed post 2020/21. Without a replacement scheme, the financial impact is severe, as **the Council would lose out on £12.3m of NHB payments in the next four years.**

## Consultation response pro-forma

### Question 7

***Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2020-21 to the upper quartile of local authorities, based on the super-sparsity indicator?***

We endorse the Rural Services Network response to Question 7.

*Yes. We believe that whilst the £81 million is welcome, it doesn't go far enough in supporting all sparsely populated rural authorities, it should be increased to reflect the additional cost of delivering services in rural areas.*

### Question 8

***Do you have any comments on the impact of the proposals for the 2020-21 settlement outlined in this consultation document on persons who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide evidence to support your comments.***

We have no comment to make on this.

## Agenda No 6

### AGENDA MANAGEMENT SHEET

<b>Report Title:</b>	Finance & Performance Monitoring 2019/20- Quarter 3
<b>Name of Committee:</b>	Cabinet
<b>Date of Meeting:</b>	<u>3 February 2020</u>
<b>Report Director:</b>	Head of Corporate Resources and CFO
<b>Portfolio:</b>	Corporate Resources
<b>Ward Relevance:</b>	All Wards
<b>Prior Consultation:</b>	None
<b>Contact Officer:</b>	Jon Illingworth- Financial Services Manager
<b>Public or Private:</b>	Public
<b>Report Subject to Call-In:</b>	Yes
<b>Report En-Bloc:</b>	No
<b>Forward Plan:</b>	Yes
<b>Corporate Priorities:</b>	This report relates to the following priority(ies):
<b>(CR) Corporate Resources</b>	<input checked="" type="checkbox"/> To provide excellent, value for money services and sustainable growth
<b>(CH) Communities and Homes</b>	<input checked="" type="checkbox"/> Achieve financial self-sufficiency by 2020
<b>(EPR) Environment and Public Realm</b>	<input checked="" type="checkbox"/> Enable our residents to live healthy, independent lives
<b>(GI) Growth and Investment</b>	<input checked="" type="checkbox"/> Optimise income and identify new revenue opportunities (CR)
	<input checked="" type="checkbox"/> Prioritise use of resources to meet changing customer needs and demands (CR)
	<input checked="" type="checkbox"/> Ensure that the council works efficiently and effectively (CR)
	<input checked="" type="checkbox"/> Ensure residents have a home that works for them and is affordable (CH)
	<input checked="" type="checkbox"/> Deliver digitally-enabled services that residents can access (CH)
	<input checked="" type="checkbox"/> Understand our communities and enable people to take an active part in them (CH)

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

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

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

**Summary:** This report sets out the anticipated 2019/20 financial & performance position for the Council based on data at Quarter 3. It also presents proposed 2019/20 budget adjustments for approval as required by Financial Standing Orders.

**Financial Implications:** As detailed in the main report.

**Risk Management Implications:** This report is intended to give Cabinet an overview of the Council's forecast spending and performance position for 2019/20 to inform future decision-making.

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

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

**Equality and Diversity:**

No new or existing policy or procedure has been recommended.

**Options:**

Members can elect to approve, amend or reject the supplementary budget requests listed at recommendations 2 to 8.

**Recommendation:**

**RECOMMENDATION**

- 1) The Council's anticipated financial position for 2019/20 be considered;
- 2) Supplementary budgets as detailed in Section 5 of this report be approved;
- 3) A General Fund revenue virement to transfer (£0.037m) out of the Insurance Reserve towards the 2019/20 Corporate Savings Target be approved;
- 4) A General Fund revenue virement of (£0.036m) from salary savings within IT towards the 2019/20 Corporate Savings Target be approved.

**IT BE RECOMMENDED TO COUNCIL THAT:**

- 5) Supplementary budgets as detailed in Section 5 of this report be approved;
- 6) Capital budget carry forwards from 2019/20 to 2020/21 totalling £6.053m (General Fund £1.552m, Housing Revenue Account £4.501m) as detailed in the report be approved;
- 7) Financing of the Housing Acquisitions Fund transfer from General Fund to Housing Revenue Account Capital Investment balances as detailed in the report be approved; and
- 8) Performance data included in Section 7 and Appendix 3 be considered & noted

**Reasons for Recommendation:**

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

## Agenda No 6

### Cabinet - 3 February 2020

#### Finance & Performance Monitoring 2019/20 – Quarter 3

#### Report of the Head of Corporate Resources and CFO

##### RECOMMENDATION

- 1) The Council's anticipated financial position for 2019/20 be considered;
- 2) Supplementary budgets as detailed within Section 5 of this report be approved;
- 3) A General Fund revenue virement to transfer (£0.037m) out of the Insurance Reserve towards the 2019/20 General Fund Corporate Savings Target be approved;
- 4) A General Fund revenue virement of (£0.036m) from salary savings within IT towards the 2019/20 Corporate Savings Target be approved.

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

- 5) Supplementary budgets as detailed in Section 5 of this report be approved;
- 6) Capital budget carry forwards from 2019/20 to 2020/21 totalling £6.053m (General Fund £1.552m, Housing Revenue Account £4.501m) as detailed in the report be approved;
- 7) Financing of the Housing Acquisitions Fund transfer from General Fund to Housing Revenue Account Capital Investment balances as detailed in the report be approved; and
- 8) Performance data included in Section 6 and Appendix 3 be considered and. noted

## 1. INTRODUCTION

This is the third of the quarterly finance and performance monitoring reports for 2019/20, which combines finance (revenue and capital) as well as performance for General Fund (GF) and Housing Revenue Account (HRA). The year-end forecasts for 2019/20 are based on actual expenditure from 01 April 2019 to 30 November 2019 plus any known changes that have developed thereafter. The report also includes proposed 2019/20 budget adjustments which are recommended for approval by Members.

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

- General Fund (GF) Revenue Budgets and Performance - Section 2 & Appendix 1;
- Housing Revenue Account (HRA) Revenue Budgets & Performance- Section 3 & Appendix 2;

- Capital Budgets - Section 4 and Appendices 1 (GF) & 2 (HRA);
- Supplementary Budget Requests- Further details for approval- Section 5;
- Performance- Section 6 and Appendix 3

**Throughout the report, pressures on expenditure and income shortfalls are shown as positive values. Savings on expenditure and additional income are shown in brackets.**

## **2. GENERAL FUND (GF) REVENUE BUDGETS**

### **2.1 GF Overview and Key Messages:**

The total approved General Fund budget is **£16.740m**. Based on the Quarter 3 2019/20 forecast, it is anticipated at 31 March 2020 there will be a break even position.

Further details of portfolio variances and key performance indicators can be seen in **Appendix 1**.

Within the portfolios and corporate items, the following significant variances should be noted-

- A pressure of **£0.114m** from GF portfolios. This is mainly due to a pressure of **£0.184m** within Environment and Public Realm arising from reduced income from Car Parking of **£0.094m** and overspends within Waste services of **£0.084m** mainly due to vehicle costs, agency and waste disposal. There is a pressure of **£0.077m** within Corporate Resources partly due to **£0.031m** within Resources due to staff costs. There is a saving of **(£0.185m)** within Communities and Homes including reduced costs for temporary accommodation projecting a saving of **(£0.142m)** and a saving of **(£0.069m)** due to a reduction in bad debt provision for Housing Benefits arising from a decreased level of Housing Benefits overpayments.
- Following a review of Corporate items, it is forecast that Net Cost of Borrowing will result in a saving of **(£0.122m)** compared to budget due to revisions in the use of cash-backed balances and more favourable interest rates. A pressure of **£0.008m** is forecast against the Minimum Revenue Provision (MRP) budget for the repayment of debt.

### **2019/20 Savings Target**

Total savings of **(£0.603m)** have been identified for 2019/20.

- Corporate, Salary and Digitalisation savings - At Quarter 3, the savings target of **(£0.343m)** has now been fully achieved. This includes pending requests recommended in this report.
- The remaining balance of planned savings in-year is **(£0.260m)**; **(£0.105m)** in relation to kerbside collections was not delivered and a supplementary budget was approved in Q2 to reflect this. The remaining **(£0.155m)** is on track to be delivered.

The table below shows the anticipated balance in the GF Reserve at 31 March 2020 based on the forecasts at Quarter 3.

	Forecast in-year change £000s	Balance £000s
<b>GF Balance at 01 April 2019</b>		<b>(2,253)</b>
Budgeted Contribution from GF reserve	66	
Approved In-year Supplementary Budgets	497	
Pending In-year Supplementary Budgets	25	
Forecast variance at the end of 2019/20	0	
<b>Net amount to be taken from balances</b>		<b>588</b>
<b>Anticipated GF Balance at 31 March 2020</b>		<b>(1,665)</b>

Positive Figures: Contribution from balances  
 Figures in Brackets: Contribution to Balances

A reserve risk assessment has been completed as part of the 2020/21 budget setting process and was reported to Cabinet through the draft 2020/21 budget setting report dated 06 January 2020. Taking account of the potential risks facing the Authority, the minimum amount required to be held in the General Fund reserve is forecast at (£2.256m).

As part of quarter 4 monitoring, further analysis of earmarked reserves will take place. Through the final budget report which will be presented in June, it will be recommended that an internal transfer is made between reserves which will increase the General Fund balances back up to at least the minimum level required.

## **Assessment of General Fund Financing**

### **2.2 Council Tax**

In 2019/20 the Council Tax discount period on empty properties has been removed. It was estimated that the removal of the discount could increase our share of council tax income by (£0.066m) per annum. Quarter 3 projections indicate a surplus of (£0.083m); this does not form part of the General Fund position for 2019/20 but has been incorporated into the budget setting process for 2020/21.

### **2.3 Business Rate Retention**

The Council sets its business rates income budget based on the NNDR1 form that is submitted to Government on 31 January each year. The estimated income is shared between Central Government (50%), Rugby Borough Council (40%) and WCC (10%).



The Council's 40% share of estimated business rates income is £6.269m, as detailed in the table below.

	2019/20 Budget £000s	2019/20 Outturn £000s	Variance £000s
RBC share of NDR Income @ 40% (as per the NNDR1 forecast)	(21,025)	(21,025)	0
Less Tariff	13,050	13,060	10
<b>Gross Amount Retained</b>	<b>(7,975)</b>	<b>(7,965)</b>	<b>10</b>
Section 31 Grants	(1,527)	(1,647)	(120)
Levy Payment	3,433	3,354	(79)
<b>Net Retained Income</b>	<b>(6,069)</b>	<b>(6,258)</b>	<b>(189)</b>
Coventry & Warks BR Pool Income	(200)	(595)	(395)
<b>Total Business Rates Income</b>	<b>(6,269)</b>	<b>(6,853)</b>	<b>(584)</b>

At 31 December (quarter 3) it is estimated that the total business rates income to be charged to the General Fund in 2019/20 will be £6.853m. This is £0.584m higher than estimated. This is due to the reasons below:

- It is the estimated business rates income per the NNDR1 that is charged to the General Fund with any actual cash variance being managed through the Collection Fund (see note 1 below).
- Additional s31 grant funding has been received in year to meet new business rate schemes introduced by central government. The loss of business rates income from these schemes is reflected in the Collection Fund. However, the actual s31 grant income to compensate losses is credited to the General Fund at the end of the year.
- The 50% levy on business rates growth is lower than estimated. The levy is calculated on actual business rates income received in the Collection Fund but the levy payment hits the General Fund in full at the end of the year.
- A higher gain from pooling with the Coventry & Warwickshire Business Rates Pool than estimated. The estimated amount was based on previous years income but actual business rates growth overall in Coventry & Warwickshire is above baseline level.

**As part of the final finance and performance report for 2019/20 it will be requested that the budget surplus of £0.584m will be transferred to the Business Rates Equalisation Reserve to manage any future variances.**

**Note 1:**

It is estimated that **actual** business rates income to be collected and accounted for will be less than estimated in 2019/20. This is because the financial benefits from growth were lower than estimated and there have been additional mandatory reliefs claimed that do not receive any compensation grant.

This has given rise to an estimated deficit on the Collection Fund at the end of the year of which the authority's share is **£0.734m**. This deficit will be recovered as part of 2020/21 budget setting.

**The balance on the Business Rates Equalisation Reserve can be used to mitigate this in 2020/21.**

## **2.4 Government Grants**

Specific Government Grants of £0.321m are on track to be delivered for 2019/20 with the exception of the Business Rates "Levy Account". In 2018/19, the Council received £0.036m and this is the basis for our 2019/20 budget.

Whilst a further distribution is expected for the 2019/20 surplus, at the time of writing this report, the timings or amounts have not been confirmed.

## **3 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:**

### **3.1 Context**

Housing Rents were set by Council on 5 February 2019, in the context of rent policy changes from government, most notably the imposition of 1% rent reductions for the period 2016/17 until 2019/20. Council responded to a consultation document on Social Rent policy for the period 2020/21 to 2024/25 in the autumn. Government has now confirmed that the application of a CPI + 1% annual rise will be allowed during this period.

### **Biart Place/Rounds Gardens**

Council received three reports in 2018/19 concerning the condition and potential options for both Biart Place and Rounds Gardens. Recommendations included:

- Proceeding with the decant and demolition of the sites in addition to redevelopment design and procurement; and
- Installation of additional fire alarms at Rounds Gardens based on recommendations by the fire risk assessor and Warwickshire Fire and Rescue Service (upon the assumption tenants remain in the block for the duration of these works)

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

To alleviate Bed and Breakfast and Temporary Accommodation cost pressures noted above, a Housing Acquisition Fund of **£13.000m** was approved in December 2018 for capital investment in acquisitions and new build housing. It was originally envisaged that acquisitions would be financed via the General Fund but the portfolio of purchases to date has predominantly been brought into the Housing Revenue Account. This

boosts numbers lost through Right to Buy, prevents existing HRA stock from being utilised for temporary accommodation, and facilitates the movement of customers from temporary into long-term, sustainable tenancies. A residual budget of **£0.500m** will remain in the General Fund to finance temporary accommodation but the remainder of the fund (**£12.500m**) will be financed by HRA Capital Investment Balances and Right to Buy receipts.

As part of rent setting for 2019/20 Council also agreed to a recommendation that **£3.713m** previously set aside for the repayment of debt within the HRA medium term financial plan is now utilised as Revenue Contributions to Capital Expenditure.

### 3.2 HRA Overview and Key Messages

The total approved HRA budget is **£17.177m**. Based on the December 2019 forecast, it is anticipated that the year-end variance at 31 March 2020 will be a surplus of (**£0.402m**). This variance is made up of the following significant items:

- An income shortfall of **£0.152m** predominantly related to the decant of properties at the Rounds Gardens site. As at 6 January 2020, 109 flats are empty. It is anticipated that all properties at the site will be vacated by 31 March 2022 but the timing of the decant process will be driven by variable dynamic factors including the availability and suitability of alternative accommodation for tenants;
- An increase in contributions to the Housing Repairs Account of **£0.250m** to reflect the increased volume of repairs work on void properties and condition data;
- A reduction in security costs at the Biart Place / Rounds Gardens sites of (**£0.331m**); and
- Additional investment income / reduction in interest payment costs attributable to the HRA of (**£0.368m**) is forecast based on revised projections of interest rates and cash-backed balances.

The table below shows the anticipated balance in the Housing Revenue Account at 31 March 2020 based on the forecasts at Quarter 3.

	Forecast in-year change £000s	Balance £000s
<b>HRA Balance at 01 April 2019</b>		<b>(5,085)</b>
Supplementary Budget & In-Year Approvals	0	
Forecast variance at the end of 2019/20	(402)	
<b>Net amount to be added to balances</b>		<b>(402)</b>
<b>Anticipated HRA Balance at 31 March 2020</b>		<b>(5,487)</b>

Positive Figures: Contribution from balances  
 Figures in Brackets: Contribution to Balances

## 4 CAPITAL

The latest approved capital programme (GF and HRA) is **£30.406m**. The forecast outturn as at 31 December 2019, prior to the adoption of carry-forward, supplementary and refinancing requests, is a variance of (**£5.020m**) against the budget.

#### **4.1 General Fund Capital – Overview (Appendix 1)**

The latest approved GF capital programme (excluding approved carry forward requests) is **£14.837m**. The programme shows a forecast net variance, prior to carry-forward, supplementary and refinancing budget requests, to year-end of **(£9.804m)**. Explanations for in-year variances are detailed in Appendix 1.

The variance is made up of the following key items;

- Refinancing of **(£8.823m)** relating to change of funding for the Housing Acquisitions Fund between General Fund and HRA;
- Slippage of **(£0.347m)** relating to the Great Central Walk Bridges scheme to reflect specialist tendering for works in conjunction with Warwickshire County Council;
- Slippage of **(£0.195m)** relating to Corporate Property Enhancements whilst evaluations of future asset requirements are completed via the One Public Estate project;
- Slippage of **(£0.457m)** relating to Whinfield Recreation Ground Paly Area, Rokeby Play Area and Whinfield Recreation Ground Bandstand following consultation delays during General Election purdah period;
- Slippage of **(£0.514m)** of Carbon Management Plan budget pending re-assessment of cost / benefit analysis of Solar PV installation at Art Gallery and Museum and member consideration of Climate Change Emergency measures; and
- Slippage of **(£0.039m)** relating to the Planning and LLPG system due to ongoing contract negotiations.

#### **4.2 Housing Revenue Account – Capital (Appendix 2)**

The latest approved HRA capital programme (excluding approved carry forward requests) is **£15.569m**. The programme shows a forecast net variance, prior to carry-forward, supplementary, and refinancing requests, to year-end of **£4.784m**. Explanations for in-year variances are detailed in Appendix 2.

The variance includes the following key items;

- Refinancing of **£8.823m** relating to change of funding for the Housing Acquisitions Fund between General Fund and HRA;
- Slippage of **(£1.275m)** relating to Rounds Gardens capital budget to 2020/21 to reflect revised profiling of decant expenditure and ongoing design works;
- Slippage of **(£1.974m)** relating to Bell House redevelopment housing scheme to 2020/21 to reflect profiling of practical completion of homes; and
- Slippage of **(£1.252m)** relating to Garage Sites redevelopment housing scheme to 2020/21 whilst financial and operational viability of sites is assessed by external consultants.

## **5. SUPPLEMENTARY BUDGET REQUESTS**

As included within the recommendations section of this report, see below for further detail on the supplementary budget requests for approval by Cabinet and Council:

### **Recommendations for Cabinet**

- A General Fund supplementary revenue budget of £0.030m is requested for 2019/20 in relation to a one-off backdated electricity bill due to a faulty meter at WSU; this is to be funded from the Works Services Unit Operational Reserve;
- A General Fund supplementary revenue budget of £0.025m is requested for 2019/20 in relation to consultancy and appraisal fees for RBC trading / housing development company to be funded from GF balances;
- A General Fund supplementary revenue budget of £0.017m is requested for 2019/20 for consultancy costs within Refuse to be funded from the Works Services Unit Operational reserve;
- A General Fund supplementary capital budget of £0.014m is requested for 2019/20 for the Digital Access improvements to be funded from ICT Equipment reserve (£0.010) and revenue (£0.004m);
- A General Fund supplementary capital budget of £0.016m is requested for 2019/20 for the ICT renewal programme to be met from borrowing;
- A General Fund supplementary capital budget of £0.021m is requested for 2019/20 for CX Licensing to be met from the Digitalisation reserve.

### **Recommendations for Council**

- A General Fund supplementary revenue budget of £0.150m is requested for 2019/20 for increased Trade Waste landfill tax costs to be funded from the Works Services Unit Operational Reserve;
- A General Fund supplementary capital budget of £0.100m is requested for 2019/20 for Brownsover Footpaths to be funded from Section 106 contributions;
- A General Fund supplementary capital budget of £0.150m is requested for the ICT refresh programme (additional Agresso licences) to be funded from capital receipts;
- A HRA supplementary capital budget of £2.870m is requested for 2019/20 for Biart Place demolition costs to be met from HRA capital investment balances.

## **6. PERFORMANCE SUMMARY**

The data for Quarter 3, 2019/20 can be seen in Appendix 3.

Training on the RPMS is available to Members and can be requested by contacting the Corporate Assurance & Improvement team. Training involves learning how to navigate the system, how to interpret the data and development of personalised performance dashboards. This can be arranged for a time to suit Members, either during the day or evening. If you wish to request training or if there is specific piece of performance data not covered in the appendix on a particular subject matter that you wish to review, then please request a performance report from the Corporate Assurance & Improvement team by emailing [rpmsupport@rugby.gov.uk](mailto:rpmsupport@rugby.gov.uk).

**Name of Meeting:** Cabinet

**Date of Meeting:** 3 February 2020

**Subject Matter:** Finance & Performance Monitoring 201920- Quarter 3

**Originating Department:** Corporate Resources

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

## Appendix 1- Cabinet Summary at December 2019 (Quarter 3)- General Fund

Revenue Forecasts - Key variance information									
Service	Current Net Budget £000s	Exp to date plus commitments £000s	Forecast £000s	Employee Variance £000s	Running Cost Variance £000s	Income Variance £000s	Pending Supplementary Budget/Virement £000s	Total Variance £000s	Key reasons for variances
Growth & Investment	2,956	2,772	2,953	56	94	(153)	0	(3)	<b>Key Variances</b> <b>(£81,000)</b> - Planning income above target but excludes pre planning advice income as this service has not yet started. <b>£78,000</b> - General employee variances including the payment of market supplements, use of agency staff and consultancy costs.
Environment & Public Realm	7,487	5,558	7,827	(6)	160	30	157	184	<b>Key Variances</b> <b>£94,000</b> - Pressure from underachievement of Car Parking income compared to budget, partly due to the impact of free evening and weekend parking. <b>£84,000</b> - Overspends in Refuse; mainly due to vehicle repair costs and hire costs, agency staff and higher haulage & recycling costs compared to budget. <b>Trade Waste</b> - A supplementary budget of £150,000 is requested due to an increase in Landfill Tax; this is to be funded from the WSU reserve <b>Consultancy</b> - A supplementary budget of £17,000 is requested to cover consultancy costs within the Works Services Unit, to be funded from the WSU reserve
Communities & Homes	2,194	11,132	1,973	43	(3,217)	2,989	(36)	(185)	<b>Key Variances-</b> <b>(£142,000)</b> -Saving due to continued reduction in B & B and Nightly Self-Contained Accommodation costs. <b>£38,000</b> -Warwickshire direct partnership- Additional costs from moving to a single instance database which will provide additional technical support. <b>(£69,000)</b> - Saving against Housing Benefit Payment due a reduction in the provision for bad debt. <b>IT</b> - A virement of (£36,000) is requested to move salary underspends to the Corporate Savings Target
Executive Director's Office	1,952	1,754	1,994	61	115	(134)	0	42	<b>Key Variances-</b> <b>£45,000</b> - Pressure due to employee costs including honorarium payments and redundancy costs.
Corporate Resources	976	912	1,108	(19)	164	(68)	55	77	<b>Key Variances-</b> <b>Resources- £31,000</b> pressure mainly due to overspends on training and recruitment plus regrading of staff. <b>Corporate Property</b> -A supplementary budget of <b>£30,000</b> is requested to cover backdated electricity costs from WSU, to be funded from the WSU reserve; A supplementary budget of <b>£25,000</b> is also requested to cover consultancy / advisory fees relating to property acquisition and development proposals to be funded from GF balances.
Corporate Items	1,176	1,174	886	0	(114)	0	(176)	(114)	<b>Key Variances</b> <b>(£122,000)</b> Saving anticipated against Net Cost of Borrowing due to revisions in the use of cash-backed balances & more favourable interest rates. <b>£8,000</b> - Pressure against MRP budget  N.B. The pending budget adjustment of <b>(£176,000)</b> is the reduction in WSU reserve of <b>(£197,000)</b> to fund the supplementary budgets requested within the portfolios, a reduction in GF balances of <b>(£25,000)</b> , plus an increase in the Corporate Savings Target of <b>£46,000</b> from Portfolio underspends.
<b>Grand Total</b>	<b>16,740</b>	<b>23,302</b>	<b>16,740</b>	<b>136</b>	<b>(2,798)</b>	<b>2,663</b>	<b>0</b>	<b>0</b>	

Head Count- Vacancies			
General Fund- FTE's at Q3 2019/20			
Portfolio	Budgeted FTE's	Actual FTE's at Q3	Vacant FTE's
Growth & Investment	61.19	56.43	(4.76)
Environment & Public Realm	169.34	152.36	(16.98)
Communities & Homes	96.45	84.61	(11.84)
Executive Directors	18.13	17.15	(0.98)
Corporate Resources	53.16	49.48	(3.68)
<b>Total</b>	<b>337.08</b>	<b>303.60</b>	<b>(33.48)</b>

Service Earmarked Reserves										
Name of reserve	Balance as at 1/04/19 £000s	Forecast contribution (to)/from £000s	Forecast balance as at 31/03/20 £000s	Forecast contribution (to)/from £000s	Forecast balance as at 31/03/21 £000s	Forecast contribution (to)/from £000s	Forecast balance as at 31/03/2022 £000s	Forecast contribution (to)/from £000s	Forecast balance as at 31/03/2023 £000s	Description
Growth & Investment	(629)	4	(625)	318	(307)	0	(307)	0	(307)	Forecast usage of service Earmarked Reserves
Environment & Public Realm	(597)	290	(307)	12	(295)	(3)	(298)	(15)	(313)	Forecast usage of service Earmarked Reserves; For 2019/20 this is being used to cover consultancy costs, landfill tax and backdated electricity costs for WSU
Communities & Homes	(788)	35	(753)	(53)	(806)	(13)	(819)	(13)	(832)	Forecast usage of service Earmarked Reserves
Executive Director's Office	0	0	0	0	0	0	0	0	0	No reserves within this Portfolio
Corporate Resources	(1,945)	8	(1,937)	0	(1,937)	0	(1,937)	0	(1,937)	Forecast usage of service Earmarked Reserves
	<b>(3,959)</b>	<b>337</b>	<b>(3,622)</b>	<b>277</b>	<b>(3,345)</b>	<b>(16)</b>	<b>(3,361)</b>	<b>(28)</b>	<b>(3,389)</b>	

### Capital Forecasts - Key variance information

Portfolio	Current Budget	Exp to date & commitments	Full year forecast 2019/20	Pending Supplementary Budget / Virement	Total Variance	Comments
	£000s	£000s	£000s	£000s	£000s	
Growth & Investment	0	0	19	19	0	Virement from Corporate Property Enhancements to Queens Diamond Jubilee Centre for replacement lighting (£0.019m)
Environment & Public Realm	3,928	639	3,340	(993)	405	Carry forward budget requests for Whitehall Rec Bandstand (£0.129m); Rokeby Play Area (£0.170m) and Whinfield Play Area (£0.158m) following consultation delays during General Election purdah period; supplementary budget for capital S106 projects at Long Lawford / Cawston (£0.404m) to be met from external contributions; offset by slippage on Great Central Walk Bridges (£0.347m) repairs pending tender completion for specialist works in conjunction with Warwickshire County Council
Communities & Homes	1,154	979	1,317	162	0	Supplementary budget requests for ICT Renewal - Member laptops (£0.016m); additional Agresso licences (£0.150m) and CX Licensing (£0.021m) to be met from capital receipts and the Digitalisation reserve; and Digital Access Improvements to Council Chamber (£0.013m) to be met from ICT Equipment reserve and revenue; offset by carry-forward request for Planning and LLPG system (£0.039m)
Executive Directors	0	0	0	0	0	
Corporate Resources	9,755	533	778	(8,992)	15	Carry forward of Corporate Property Enhancement budget pending appraisal of One Public Estate project by SMT / Members (£0.195m); and carry forward of Carbon Management Plan budget pending re-appraisal of RAGM Solar PV costs (£0.514m); transfer of financing for Housing Acquisitions Fund between General Fund and HRA
<b>Overall Total</b>	<b>14,837</b>	<b>2,151</b>	<b>5,453</b>	<b>(9,804)</b>	<b>420</b>	

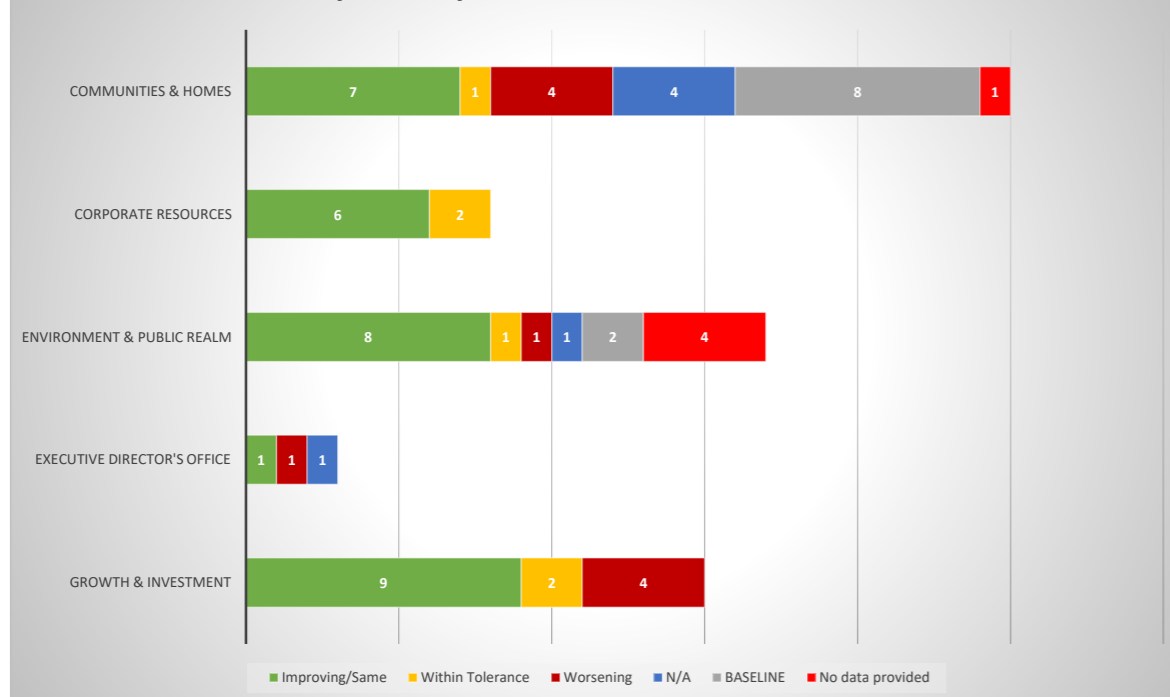
### Performance Monitoring Information

The information has been downloaded directly from the RPMS system in January 2020. Where data has yet to be collected, these indicators will be updated as soon as possible and can be viewed on the RPMS. Appendix 3 has had an Equality & Diversity data set added to it. These indicators look at the percentage of Rugby Borough Council employees identifying as having a disability and compare to the demographics of the Rugby Borough, there is also an Age profile of Rugby Borough Council employees. These can be found in the Communities & Homes portfolio. There is also a new Visitor Centre data set that can look at sales figures and enquiries and these can be found in the Growth & Investment portfolio.

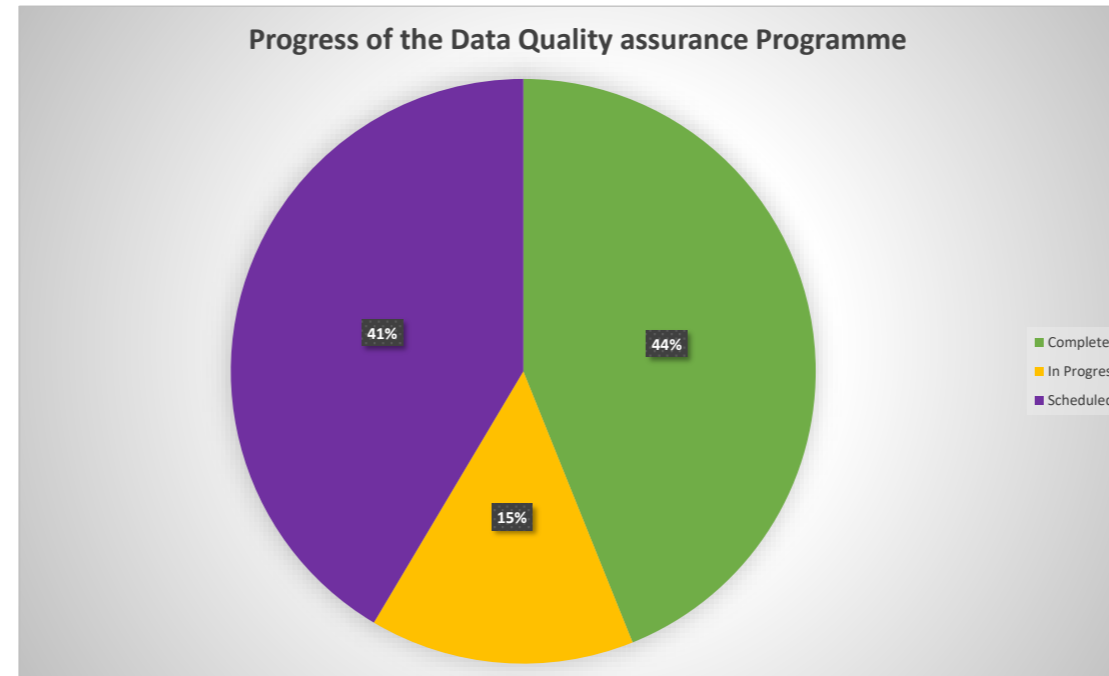
Councillors have begun to devise their own personalised performance dashboards within the Rugby Performance Management System (RPMS) and these are bespoke to the particular needs or interests of the Councillor. If you have not yet created your own dashboard then please get in touch with the Corporate Assurance & Improvement team on the email below. If you would like training on the RPMS and interpreting data then please contact [rpmssupport@rugby.gov.uk](mailto:rpmssupport@rugby.gov.uk) to arrange a session that suits you. This can be during core hours or with at least a week's advanced notice after core hours.

There are 68 KPIs with new data sets from Equality & Diversity and the Visitor Centre. The three year Data Quality assurance programme that audits our performance indicators is currently on track.

#### Trend Analysis of Key Performance Indicators for Q3 2019/20



#### Progress of the Data Quality assurance Programme





## Appendix 2- Cabinet Summary as at December 2019- Housing Revenue Account (HRA)

### Revenue Forecasts - Key variance info

Service	Current Budget	Exp to date plus commitments	Forecast Spend	Employee Variance	Running Cost Variance	Income Variance	Total Variance	Reason for variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Rent income from dwellings	(15,659)	(11,412)	(15,507)	0	0	152	152	
Rent income from land and buildings	(138)	(98)	(139)	0	0	(1)	(1)	
Charges for services	(1,047)	(768)	(1)	0	0	(1)	(1)	
Contributions towards expenditure	(163)	(126)	(56)	0	0	(56)	(56)	
<b>Total Income</b>	<b>(17,006)</b>	<b>(12,404)</b>	<b>(15,702)</b>	<b>0</b>	<b>0</b>	<b>94</b>	<b>94</b>	A rent income shortfall of £152,000 predominantly related to the decant of properties at the Rounds Gardens site. As at 20th November 2019, 94 flats are empty. It is anticipated that all properties at the site will be vacated by 31 <sup>st</sup> March 2022 but the timing of the decant process will be driven by variable dynamic factors including the availability and suitability of alternative accommodation for tenants. This variance includes a projection of decanting from Rounds Gardens continuing at the current higher than expected rate and also includes a higher than budget void of 62 properties compared to the budgeted 1% (approximately 38 properties).
Transfer to Housing Repairs Account	3,769	0	4,019	0	250	0	250	Forecast on increasing volume of voids and condition data at void inspection
Supervision & Management	5,722	4,566	5,275	(4)	(443)	0	(447)	Biart Place security has been reduced to 4 visits per day from June 2019
Rent, rates, taxes and other charges	5	2	5	0	0	0	0	
Depreciation and impairment	2,075	2,075	2,075	0	0	0	0	
Debt management costs	24	3	40	0	16	0	16	
Provision for bad or doubtful debts	61	0	114	0	53	0	53	Outturn estimate based on arrears analysis as at November 2019
<b>Total Expenditure</b>	<b>11,656</b>	<b>6,645</b>	<b>11,528</b>	<b>(4)</b>	<b>(124)</b>	<b>0</b>	<b>(128)</b>	
HRA share of CDC costs	224	0	224	0	0	0	0	
<b>Net cost of HRA services</b>	<b>(5,126)</b>	<b>(5,760)</b>	<b>(3,950)</b>	<b>(4)</b>	<b>(124)</b>	<b>94</b>	<b>(34)</b>	
Interest payable and similar charges	1,532	0	1,434	0	(98)	0	(98)	Forecast based on Public Works Loan Board (PWLb) interest rate projections for 2019/20
Interest and Investment Income	(171)	0	(441)	0	0	(270)	(270)	Additional investment income attributable to the HRA is forecast based on revised projections of interest rates and cash-backed balances.
<b>Net Operating expenditure</b>	<b>(3,765)</b>	<b>(5,760)</b>	<b>(2,957)</b>	<b>(4)</b>	<b>(222)</b>	<b>(176)</b>	<b>(402)</b>	
Contributions to (+) / from (-) reserves	52	0	52	0	0	0	0	
Revenue Contributions to Capital Expenditure	3,713	0	3,713	0	0	0	0	
<b>(Surplus) / Deficit for the Year on HRA Services</b>	<b>(0)</b>	<b>(5,760)</b>	<b>808</b>	<b>(4)</b>	<b>(222)</b>	<b>(176)</b>	<b>(402)</b>	

## Capital Forecasts - Key variance info

Service	Original Budget	Exp to date & commitments	Full year forecast 2019/20	Total Variance	Movement since last period	Pending Supplementary / Virement / Carry Forward	Total Variance	Comments
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Housing Management System	404	39	404	0	0	0	0	
Property Repairs Team Vehicle	300	0	300	0	0	0	0	
Lifeline Renewal Programme	67	26	67	0	0	0	0	
Disabled Adaptations	278	189	257	(21)	(21)	0	(21)	Outturn forecast based on trend expenditure in 2019/20 to date.
Kitchen Modifications	109	42	55	(54)	(54)	0	(54)	Outturn forecast based on trend expenditure in 2019/20 to date.
Heating Upgrades	869	795	926	57	57	0	57	
Fire Risk Prevention Works	68	55	58	(10)	(10)	0	(10)	
Finlock Gutter Improvements	57	1	57	0	0	0	0	
Rebuilding Retaining Walls	50	(2)	50	0	0	0	0	
Roof Refurbishment - Lesley Souter House	70	0	70	0	0	0	0	
Replacement Footpaths	20	(22)	20	0	0	0	0	
Door Security Systems	292	207	292	(0)	(0)	0	(0)	
Electrical Upgrades - Community Rooms	36	0	36	0	0	0	0	
LED lighting	37	1	36	(1)	(1)	0	(1)	
Bathroom Modifications	222	272	355	133	133	0	133	Prior quarter carry forward to 2020/21 to be reversed following data update.
Patterdale sheltered scheme improvements	70	6	70	0	0	0	0	
Purchase of Council Houses	1,960	1,773	1,960	0	0	0	0	
Cawston Meadows Houses	1,756	809	826	(930)	(930)	0	(930)	Acquisition programme now complete. Residual budget to be returned to balances less retention fees.
Rugby Gateway - Bloor Homes	675	628	631	(44)	(44)	0	(44)	Acquisition programme now complete. Residual budget to be returned to balances less retention fees.
Rugby Gateway - Cala Homes	0	0	0	0	0	0	0	Budget of £0.434m carry forward to 2020/21 to reflect delivery schedule.
Energy Efficiency Phase 2	900	0	0	(900)	(900)	0	(900)	Government subsidy has been withdrawn from this scheme (External Wall Insulation). A revised business case will be presented at a later date.
Housing Window Replacement	60	26	60	0	0	0	0	
Carbon Management Plan (HRA)	12	0	12	0	0	0	0	
Rounds Gardens Capital	2,230	650	955	(1,275)	(1,275)	1,275	0	The budget for survey and design works costs has been reprofiled as project timelines are reviewed. Further revisions are likely as scheme options are presented to members for approval. The forecast outturn for 2019/20 provides provision for a further 30 decants prior to March 31 2020.
Fire Alarms at Rounds Gardens	179	80	80	(99)	(99)	0	(99)	Scheme now complete. Residual budget to be returned to capital investment balances.
Biart Place - Capital	1,533	326	1,533	0	0	0	0	
Biart Place Demolition	0	0	2,870	2,870	2,870	(2,870)	(0)	A supplementary HRA capital budget to be approved following contract allocation. The specialist demolition contract will entail works spanning financial years 2019/20 and 2020/21.
Garage Site HRA	1,300	48	48	(1,252)	(1,252)	1,252	0	Budget carry forward to 2020/21 pending consultant review of scheme financial / operational viability.
Bell House Redevelopment	2,014	31	40	(1,974)	(1,974)	1,974	0	Demolition works to commence in Q4 2019/20 with construction works to commence Q1 / Q2 2020/21
Housing Acquisitions Fund	0	423	8,283	8,283	8,283	(8,283)	0	From Q4 budget/expenditure to date to be moved into HRA portfolio to reflect acquisition of HRA stock. Residual budget of £0.500m for temporary accommodation stock.
<b>Overall Total</b>	<b>15,569</b>	<b>6,404</b>	<b>20,353</b>	<b>4,784</b>	<b>4,784</b>	<b>(6,652)</b>	<b>(1,868)</b>	

## Performance Appendix 3

Generated on: 22 January 2020



Trend Key	
	Improving/Stable trend
	Within tolerance levels
	Worsening trend
<b>N/A</b>	Trend is not measured.
<b>BASELINE</b>	This is baseline data

This information has been downloaded directly from the RPMS system in January 2020. Where data has yet to be collected, these indicators will be updated as soon as possible and can be viewed on the RPMS.

### Communities & Homes Service

Performance Indicator	Service Area	Current Value		Trend
<b>Number of affordable homes delivered</b>	Community & Projects	Q3 2019/20	81	<b>N/A</b>
		Q2 2019/20	36	
		Q3 2018/19	69	

Latest Note


Orbit - 22 units

Clarion - 25 units

Midland Heart - 19 units

Sanctuary - 6 units

Rugby Borough Council - 9 units

Performance Indicator	Service Area	Current Value		Trend
<b>Benefits - average end to end time for claims (days)</b>	Community Advice and Support Team	December 2019	27.53	
		November 2019	31.86	
		October 2019	30.03	


Latest Note


Performance Indicator	Service Area	Current Value		Trend
<b>Number of households where homeless preventions and reliefs have not been possible that RBC have a duty to rehouse</b>	Community Advice and Support Team	Q3 2019/20	63	<b>N/A</b>
		Q2 2019/20	47	
		Q3 2018/19	31	

Latest Note

Performance Indicator	Service Area	Current Value		Trend
<b>Number of households in Bed &amp; Breakfast at the end of Quarter</b>	Community Advice and Support Team	Q3 2019/20	4	<b>N/A</b>
		Q2 2019/20	3	
		Q3 2018/19	7	
Latest Note				

Performance Indicator	Service Area	Current Value		Trend
<b>Number of households in other types of temporary accommodation</b>	Community Advice and Support Team	Q3 2019/20	138	<b>N/A</b>
		Q2 2019/20	130	
		Q3 2018/19	151	
Latest Note				

Performance Indicator	Service Area	Current Value		Trend
<b>Number of homeless preventions and reliefs made by Rugby Borough Council</b>	Community Advice and Support Team	Q3 2019/20	130	
		Q2 2019/20	141	
		Q3 2018/19	111	
Latest Note Despite being lower than last quarter it is an improvement on the same period last year.				

Performance Indicator	Service Area	Current Value		Trend
<b>Percentage of employees at Rugby Borough Council identifying as disabled</b>	Equality & Diversity	2018/19	27.6%	
		2017/18	32.80%	
		2016/17	32.80%	
Latest Note Staff self-identify as disabled with a bi-annual survey. The reduction is likely due to some staff who identified as disabled leaving the organisation. A lower percentage represents a healthier workforce.				

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of residents identifying as disabled within the Borough of Rugby</b>	Equality & Diversity	2018/19 16.10%	<b>BASELINE</b>
Latest Note The current figures are from 2011 Census data and will not change until the 2021 Census has been undertaken and results reviewed.			

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council who identify as male</b>	Equality & Diversity	2018/19 51.20%	<b>BASELINE</b>
Latest Note The figure is within our expectation for equal opportunity split of nearly 50:50. This highlights the fact that some of our services, especially Work Services Unit staff tend to be predominately male.			

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council who identify as female</b>	Equality & Diversity	2018/19 48.80%	<b>BASELINE</b>

**Latest Note**

The figure is within our expectation for equal opportunity split of nearly 50:50.

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council in the age bracket 15-24</b>	Equality & Diversity	2018/19	4.91% <b>BASELINE</b>

**Latest Note**

This is less than expected. It is expected that the Apprenticeship scheme going forward will help increase the numbers.

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council in the age bracket 25-44</b>	Equality & Diversity	2018/19	40.69% <b>BASELINE</b>

**Latest Note**

The figure is slightly higher than expected, especially in comparison to the residents of the Borough. This could be related to individuals coming to work in Rugby from outside the area. Also, our Apprenticeship scheme has been running since 2012 and therefore some of them will have moved to this age bracket.

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council in the age bracket 45-59</b>	Equality & Diversity	2018/19	42.13% <b>BASELINE</b>

**Latest Note**

This is expected, even though it is higher than the residents for the Borough but that could be due to individuals coming to work from outside the area.

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council in the age bracket 60-64</b>	Equality & Diversity	2018/19	9.41% <b>BASELINE</b>

**Latest Note**

This is expected, as individuals are continuing to work longer.

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of employees at Rugby Borough Council in the age bracket 65+</b>	Equality & Diversity	2018/19	2.86% <b>BASELINE</b>

**Latest Note**

This is expected. As there is no statutory retirement age individuals are continuing to work when they are over 65, as flexible working arrangements can be negotiated.

Performance Indicator	Service Area	Current Value	Trend
<b>Average number of days to allocate void property</b>	Housing Management & Tenancy	December 2019	31
	Sustainment	November 2019	31
		October 2019	53

**Latest Note**

Performance this quarter saw improvement despite a spike in October that was due to several harder to let properties. November, although improving, was still impacted by properties allocations through the Syrian Resettlement Scheme causing a 6 week delay. It is also worth adding that had we taken the TEMP and PSL properties out of this data our average days to allocated would have reduced to 26. Dec In this month we let a property that was held (on advice from Legal) for a Succession case that was in the middle of a court process, this was held for over 8 months hence the impact on our performance.

Performance Indicator	Service Area	Current Value		Trend
<b>Current position of rent arrears</b>	Housing Management & Tenancy	Q3 2019/20	£1,140,469.73	
	Sustainment	Q2 2019/20	£1,102,639.94	
		Q3 2018/19	£1,078,164.71	

#### Latest Note

While this performance still requires some improvement we are starting to see positive signs in performance as a result of recent changes to the process, monitoring and management of arrears and in particular the higher level cases. We anticipate meeting if not exceeding last years performance in this area. As at 17 January 2020 the arrears total for General Needs and Independent Living current accounts was £550,000. The £1,140,469 is made up from current, former, garage and Woodside arrears.

Performance Indicator	Service Area	Current Value		Trend
<b>Proportion of rent arrears caused by Universal Credit</b>	Housing Management & Tenancy	Q3 2019/20	36.6%	
	Sustainment	Q2 2019/20	38.4%	
		Q3 2018/19	42.5%	

#### Latest Note

We are members of the landlord portal and are using this more and more to manage our Universal Credit cases by applying for both managed or direct payments. Also now that the higher level accounts are being managed by specific officers they are developing more productive relationships with DWP regarding rent cases. Lastly, since moving to a more tenancy sustainment focused team we implemented the Tenancy Coach role. The Tenancy Coach completes an assessment with all customers to identify areas where they potentially need support. Where the customer is in receipt of Universal Credit the Tenancy Coach supports the customer with applying for Universal Credit and ensures a payment arrangement is in place ahead of closing the case down.

Performance Indicator	Service Area	Current Value		Trend
<b>Average void rent loss</b>	Housing Management & Tenancy	December 2019	£1,258.34	
	Sustainment	November 2019	£992.17	
		October 2019	£1,244.30	

#### Latest Note

Performance Indicator	Service Area	Current Value		Trend
<b>Service Delivery Metric: Number of tickets by Type and Source</b>	Information & Communications	December 2019	1,090	
	Technology	November 2019	1,239	
		October 2019	1,440	

#### Latest Note

The current trend of lower tickets for this month is mainly due to a shorter working month, due to the Christmas shutdown.

Performance Indicator	Service Area	Current Value		Trend
<b>Service Delivery Metric: Average resolution time of Service Delivery Team Tickets (1st fix)</b>	Information & Communications	December 2019	2.24	
	Technology	November 2019	2.07	
		October 2019	1.85	

#### Latest Note

Our standard SLA is a 8 hour response and 16 hour fix time. Other times are: Priority 1 = 1 hour response and 4 hour fix, Priority 2 = 4 hour response and 8 hour fix, Priority 3 = 8 hour response and 16 hour fix. Our Service Standards are fully documented and available on both SharePoint and the Service Desk Portal.

Performance Indicator	Service Area	Current Value		Trend
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<b>Service Delivery Metric: Average resolution time of all IT services tickets</b>	Information & Communications Technology	December 2019	5.56	
		November 2019	4.08	
		October 2019	4.89	

**Latest Note**  
 Our standard SLA is a 8 hour response and 16 hour fix time. Other times are: Priority 1 = 1 hour response and 4 hour fix, Priority 2 = 4 hour response and 8 hour fix, Priority 3 = 8 hour response and 16 hour fix. Our Service Standards are fully documented and available on both SharePoint and the Service Desk Portal.

Performance Indicator	Service Area	Current Value		Trend
<b>Service Delivery Metric: Customer satisfaction</b>	Information & Communications Technology	December 2019	48%	
		November 2019	59%	
		October 2019	73%	

**Latest Note**  
 Two calls were given an OK rating from 51 Calls, One call was given a Poor rating from 51 Calls

Performance Indicator	Service Area	Current Value		Trend
<b>Critical systems downtime</b>	Information & Communications Technology	Q3 2019/20	0	
		Q2 2019/20	0	
		Q3 2018/19	0	

**Latest Note**

Performance Indicator	Service Area	Current Value		Trend
<b>Internet downtime</b>	Information & Communications Technology	Q3 2019/20	0	
		Q2 2019/20	0	
		Q3 2018/19	0	

**Latest Note**

**Corporate Resources Service**

Performance Indicator	Service Area	Current Value		Trend
<b>Number of working days lost due to long term sickness absence</b>	Human Resources	Q3 2019/20	467	
		Q2 2019/20	946	
		Q3 2018/19	628	

**Latest Note**  
 Awaiting narrative for Q3

Performance Indicator	Service Area	Current Value		Trend
<b>Number of working days lost due to short term sickness absence</b>	Human Resources	Q3 2019/20	817	
		Q2 2019/20	810.5	
		Q3 2018/19	941	

**Latest Note**  
 Awaiting narrative for Q3

Performance Indicator	Service Area	Current Value		Trend
% of Staff turnover	Human Resources	Q3 2019/20	12.3%	
		Q2 2019/20	12%	
		Q3 2018/19	11.7%	

#### Latest Note

Public Sector median for employee turnover is 17.9%. Our employee turnover is low currently as there have been no major restructures recently.

Performance Indicator	Service Area	Current Value		Trend
Tenant feedback on the Oneserve repairs survey as a % responding as satisfied or better.	Property Repairs Services	November 2019	95%	
		October 2019	90%	

#### Latest Note

This indicator shows data from October and November only. December data not yet available.

Performance Indicator	Service Area	Current Value		Trend
Average number of days to complete a repair	Property Repairs Services	December 2019	5	
		November 2019	10	
		October 2019	8	

#### Latest Note

Performance Indicator	Service Area	Current Value		Trend
Energy Efficiency of Housing Stock	Property Services	2018/19	68	
		2017/18	68	
		2016/17	67	

#### Latest Note

The target SAP rating of 68 is above the National Average in England and Wales which is 60. We currently have taken delivery of 40 New Build Properties which have an average SAP rating of 85. In addition, 12 of these properties benefit from the addition of Photovoltaic Solar Panels which directly benefit the tenants in terms of cost saving as well as increasing the SAP rating.

In the current financial year we have reinstated the Boiler Replacement programme in which we anticipate around 300 older boilers will be replaced by High Efficiency ones.

Performance Indicator	Service Area	Current Value		Trend
% of Council Tax collected	Revenues Services	Q3 2019/20	86.70%	
		Q3 2018/19	87.64%	
		Q3 2017/18	84.91%	

#### Latest Note

As the data for this indicator is measured cumulatively the comparison is between previous Q3 values only. Although the collection rate is lower than last Q3 it is still much higher than that of Q3 2017/18.

Performance Indicator	Service Area	Current Value		Trend
Percentage of Non-domestic Rates collected	Revenues Services	Q3 2019/20	85.50%	
		Q3 2018/19	85.05%	
		Q3 2017/18	82.56%	

#### Latest Note

As the data for this indicator is measured cumulatively the comparison is between previous Q3 values only.



## Environment & Public Realm Service

Performance Indicator	Service Area	Current Value	Trend
<b>% of local deceased usage through Rainsbrook Crematorium</b>	Bereavement Services	Q2 2019/20	62.61%
		Q1 2019/20	77.83%
		Q2 2018/19	55.07%

**Latest Note**

The figures for local deaths registered are released by the ONS 2 months in arrears and as such the data for Q3 is not yet available.

Performance Indicator	Service Area	Current Value	Trend
<b>% of premises within the Rugby Borough that have attained the Food Hygiene Rating 5</b>	Commercial Regulation	Q3 2019/20	70%
		Q2 2019/20	
		Q3 2018/19	

**Latest Note**

There is a slight decrease in the % of food businesses rating 5 but this is within expected fluctuations due to the number of food inspections carried out

Performance Indicator	Service Area	Current Value	Trend
<b>% of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above</b>	Commercial Regulation	Q3 2019/20	86.90%
		Q2 2019/20	
		Q3 2018/19	

**Latest Note**

There is an increase in the % of food businesses rating 4 and above but this is within expected fluctuations due to the number of food inspections carried out

Performance Indicator	Service Area	Current Value	Trend
<b>% of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above</b>	Commercial Regulation	Q3 2019/20	94.10%
		Q2 2019/20	
		Q3 2018/19	

**Latest Note**

There is an increase in the % of food businesses rating 3 and above but this is within expected fluctuations due to the number of food inspections carried out

Performance Indicator	Service Area	Current Value	Trend
<b>Number of volunteer hours on RBC green space</b>	Parks and Open Spaces	2018/19	11,727 <b>BASELINE</b>

**Latest Note**

The amount of volunteer hours supporting the management and maintenance activities on our green spaces has been steadily increasing since 2012. This supports a range of activities across Rugby and brings huge additional value and support to the service.

The opinion of the Parks and Open Spaces Manager is that for a small borough like Rugby 11,000hrs is good, and that the Council is in the upper quartile of what can be physically achieved as volunteers still need managing.

Performance Indicator	Service Area	Current Value	Trend
<b>Number of trees planted on RBC green space</b>	Parks and Open Spaces	2018/19	100 <b>BASELINE</b>

**Latest Note**

Traditionally we plant a number of trees during the planting season. Despite decreasing resources it is important to maintain a good tree stock to help reduce the effects of climate change, capture carbon and reduce air pollution. The Parks and Open Spaces Manager believes the Council should aim to plant more than 100 trees per annum.

Performance Indicator	Service Area	Current Value	Trend
<b>Number of Green Flags awarded</b>	Parks and Open Spaces	2019/20 2018/19	5
Latest Note			

Performance Indicator	Service Area	Current Value	Trend
<b>Percentage of household waste sent for reuse, recycling and composting</b>	Refuse & Recycling	Q1 2019/20	42.12%
Latest Note			
Data is not yet available for Q2 or Q3. In Q1 there was an increase on previous quarter due to increased dry recycling and green waste tonnages			

Performance Indicator	Service Area	Current Value	Trend
<b>Total number of bin collections</b>	Refuse & Recycling	Q3 2019/20 Q2 2019/20 Q1 2019/20	685,500 684,225 696,000
Latest Note			
<b>N/A</b>			

Performance Indicator	Service Area	Current Value	Trend
<b>Number of Missed Refuse Bins</b>	Refuse & Recycling	Q3 2019/20 Q2 2019/20 Q1 2019/20	147 213 233
Latest Note			

Performance Indicator	Service Area	Current Value	Trend
<b>Number of Missed Recycling Bins</b>	Refuse & Recycling	Q3 2019/20 Q2 2019/20 Q1 2019/20	187 201 120
Latest Note			

Performance Indicator	Service Area	Current Value	Trend
<b>Number of Missed Green Waste Bins</b>	Refuse & Recycling	Q3 2019/20 Q2 2019/20 Q1 2019/20	71 111 177
Latest Note			

Performance Indicator	Service Area	Current Value	Trend
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<b>% of contamination in collected recycling</b>	Refuse & Recycling	Q3 2019/20		12.5%	
		Q2 2019/20		12.5%	
		Q1 2019/20		13%	

**Latest Note**  
As detailed by casepak contract input data, contamination continuing to fall each month since June 2019.

Performance Indicator	Service Area	Current Value		Trend
<b>Number of tagged contaminated recycling bins</b>	Refuse & Recycling	Q3 2019/20		
		Q2 2019/20		
		Q1 2019/20		

**Latest Note**  
Number of tagged bins for this period is 3420, an average of 1140 per month. This is based on the daily reports from the recycling collection crew. Reporting still remains an area that requires a lot of consideration.

Performance Indicator	Service Area	Current Value		Trend
<b>Number of Complaints</b>	Refuse & Recycling	Q2 2019/20		
		Q1 2019/20		
		Q2 2018/19		

**Latest Note**  
Q3 data not yet available.

Performance Indicator	Service Area	Current Value		Trend
<b>Bulky Waste Complaints</b>	Refuse & Recycling	Q2 2019/20		
		Q1 2019/20		
		Q2 2018/19		

**Latest Note**  
Q3 data not yet available.

Performance Indicator	Service Area	Current Value		Trend
<b>Number of members of the public recorded in an accident</b>	Safety & Resilience Team	Q3 2019/20		
		Q2 2019/20		
		Q3 2018/19		

**Latest Note**

**Executive Director's Office**

Performance Indicator	Service Area	Current Value		Trend
<b>Number of data breaches reported to the Information Commissioner's Office (ICO)</b>	Communications, Consultation & Information	Q3 2019/20		
		Q2 2019/20		
		Q3 2019/20		

**Latest Note**

Performance Indicator	Service Area	Current Value		Trend
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<b>Member attendance at Committee meetings</b>	Democratic Services	December 2019	85.50%	<b>N/A</b>
		November 2019	85.50%	
		October 2019	87.09%	

Latest Note

Performance Indicator	Service Area	Current Value		Trend
<b>Electoral registrations within the borough of Rugby as a percentage of eligible population</b>	Electoral Services	2018/19	97%	
		2017/18	99%	
		2016/17	97%	

Latest Note

The performance trend has dropped by 2% from the previous year. 2017 saw a spike in registrations generated by the General Election which has been hard to maintain given the current climate. The uncertainty over Brexit and multiple electoral events has had a knock on effect on registrations with an increased refusal to register from residents.

### Growth & Investment Service

Performance Indicator	Service Area	Current Value		Trend
<b>Benn Hall overall income</b>	Benn Hall	Q3 2019/20	£68,765.99	
		Q2 2019/20	£38,554.36	
		Q3 2018/19	£58,740.00	

Latest Note

Performance Indicator	Service Area	Current Value		Trend
<b>Average end to end time for Land Charge Searches (in days)</b>	Development & Enforcement	December 2019	4.52	
		November 2019	3.23	
		October 2019	6.18	

Latest Note

The average end to end time for Land Charges Searches increased from November to December as part of the searches is completed by the Highways team at Warwickshire County Council and the person who does this was on leave from 19th December 2019 to 6th January 2020 then off sick from 7th January 2020. The Land Charges Officer was also out of the office for 1 day due to the General Election and had 2 days Annual Leave over Christmas. Please note the Government has set an expectation that all local authorities respond to search requests within 10 working days.

Performance Indicator	Service Area	Current Value		Trend
<b>Percentage of major planning applications determined within statutory time frame</b>	Development & Enforcement	Q3 2019/20	100%	
		Q2 2019/20	100%	
		Q3 2018/19	100%	

Latest Note

Ref designation report 5 out of 5 major planning applications were determined within the statutory time frame

Performance Indicator	Service Area	Current Value		Trend
<b>Percentage of non-major planning applications determined within statutory time frame</b>	Development & Enforcement	Q3 2019/20	93%	
		Q2 2019/20	82%	
		Q3 2018/19	84%	

**Latest Note**

Ref designation report 163 out of 175 non-major planning applications were determined within the statutory time frame  
 The main cause for any reduction in performance on this measure is when either the time frame exceeded and the applicants are willing to grant the Local Planning Authority an extension of time to determine the application. The Government designation target for this threshold is 70%. It can be seen from the data that Rugby Borough Council are well in excess of this threshold.

Performance Indicator	Service Area	Current Value		Trend
<b>The number of new homes built within the year.</b>	Development Strategy	2018/19	939	
		2017/18	578	
		2016/17	376	

**Latest Note**

Data to be included in the Authority Monitoring Report to be published December/January.

Significant increase compared to previous year as development of strategic allocated sites has progressed.

Performance Indicator	Service Area	Current Value		Trend
<b>No. of visits to Rugby Art Gallery &amp; Museum in person</b>	Art Gallery, Museum & Hall of Fame	December 2019	3,564	
		November 2019	3,105	
		October 2019	6,190	

**Latest Note**

Performance Indicator	Service Area	Current Value		Trend
<b>No. of visits to the Hall of Fame in person</b>	Art Gallery, Museum & Hall of Fame	December 2019	246	
		November 2019	471	
		October 2019	655	

**Latest Note**

Following trend of previous December months following the introduction of entry fees. In October the sudden spike was due to an increased number of school educational visits during the 2019 Rugby World Cup.

Performance Indicator	Service Area	Current Value		Trend
<b>Leisure Centre Visits</b>	Sport & Recreation	December 2019	37,905	
		November 2019	51,263	
		October 2019	58,340	

**Latest Note**

Tracking usage year on year compared to 2018 with a small increase. The Centre has several close down periods with an additional day closure in 2019 for whole staff event/training.

Performance Indicator	Service Area	Current Value		Trend
<b>Total grants income from external funding</b>	Sport & Recreation	H1 2019/20	£188,107.00	
		H2 2018/19	£161,860.93	
		H1 2018/19	£157,010.00	

**Latest Note**

Performance Indicator	Service Area	Current Value		Trend
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**Number of participants - Family Weight Management Sport & Recreation**

Q3 2019/20	222
Q2 2019/20	483
Q3 2018/19	132

**Latest Note**

Quarter 3 reflects a transition period to a new service partner - Compass. As such programmes were limited with a 3 month planned change over, training and wrap up courses.

Performance Indicator	Service Area	Current Value		Trend
<b>Visitor Centre overall retail sales</b>	Visitor Centre	Q3 2019/20	£15,575.33	
		Q2 2019/20	£11,392.96	
		Q3 2018/19	£10,468.57	

**Latest Note**

Shop sales: slight decrease when compared to Q3 previous year. Pre-Christmas retail sales lower than last year.

Online sales: significant increase thanks to 2019 Rugby World Cup

Performance Indicator	Service Area	Current Value		Trend
<b>Visitor Centre online retail sales - excl. Hall of Fame</b>	Visitor Centre	Q3 2019/20	£5,677.94	
		Q2 2019/20	£270	
		Q3 2018/19	£200	

**Latest Note**

-Significant spike due to Rugby World Cup souvenirs sales on our e-bay platform.

Performance Indicator	Service Area	Current Value		Trend
<b>Visitor Centre count of enquiries</b>	Visitor Centre	Q3 2019/20	4,293	
		Q2 2019/20	5152	
		Q3 2018/19	4,198	

**Latest Note**

-Q3 trend in line with previous year

Performance Indicator	Service Area	Current Value		Trend
<b>Visitor Centre count of International Visitors</b>	Visitor Centre	Q3 2019/20	253	
		Q2 2019/20	519	
		Q3 2018/19	319	

**Latest Note**

Performance Indicator	Service Area	Current Value		Trend
<b>Visitor Centre overall sales - Hall of Fame</b>	Visitor Centre	Q3 2019/20	£4,458.83	
		Q2 2019/20	£5,586.17	
		Q3 2018/19	£3,814.49	

**Latest Note**

Despite lower sales than in Q2 the value is improving on the same period last year.

**AGENDA MANAGEMENT SHEET**

**Report Title:** Draft Housing Revenue Account Capital & Revenue Budgets 2020/21 and Medium Term Financial Plan 2020-24

**Name of Committee:** Cabinet

**Date of Meeting:** 3 February 2020

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

**Portfolio:** Communities and Homes

**Ward Relevance:** ALL

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

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

**Public or Private:** Public

**Report Subject to Call-In:** Yes

**Report En-Bloc:** No

**Forward Plan:** Yes

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

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

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

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

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

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

Ensure that the council works efficiently and effectively (CR)

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

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

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

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

**Summary:** The primary purpose of this report is to present a final draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2020/21 based on budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C).

**Financial Implications:** As detailed within the report and appendices.

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

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

**Legal Implications:** Set out within the body of this report

**Equality and Diversity:** A full Equality Impact Assessment will be presented with the final budget report at Special Council on 4<sup>th</sup> February 2020.

**Options:** Not applicable

**Recommendation:** (1) The draft revenue and capital budgets at Appendices A and B for 2020/21 be noted; and



(2) IT BE RECOMMENDED TO COUNCIL  
THAT the revised HRA Local Level on  
Indebtedness (Debt Cap) be set at £152m.

**Reasons for Recommendation:** To give Cabinet a final view of the Housing Revenue Account revenue and capital budgets for 2020/21 onwards and to ensure that the Council has earmarked balances to continue demolition, design and rebuild costs at Biart Place and Rounds Gardens (notwithstanding central Government financial support.)

**Cabinet - 3 February 2020**

**Draft Housing Revenue Account Capital & Revenue Budgets  
2020/21 and Medium Term Financial Plan 2020-24**

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

**RECOMMENDATION**

- (1) The draft revenue and capital budgets at Appendices A and B for 2020/21 be noted; and
- (2) IT BE RECOMMENDED TO COUNCIL THAT the revised HRA Local Level on Indebtedness (Debt Cap) be set at £152m.

**1. INTRODUCTION**

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

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

1.3 The Council has a retained housing stock of nearly 3,600 homes currently available to let and manages an additional 60 leasehold properties with an annual rent roll of c.£16m.

1.4 The primary purpose of this report is to present a final draft HRA revenue position (see Appendix A) and a capital position (see Appendix B) for 2020/21 based on budget submissions, plus a HRA Medium Term Financial Plan (MTFP) (see Appendix C) ahead of the final budget presentation and rent setting at Full Council on 4<sup>th</sup> February 2020.

**2. BUDGET AND POLICY FRAMEWORK**

2.1 Significant activities within or impacting upon the Housing Revenue Account in 2019/20 include:

- The completion of 14 open market property acquisitions with a further 9 at conveyancing stage;
- The completion of 44 Section 106 acquisitions at Cawston Meadows and Rugby Gateway sites;
- Further agreements on 14 S106 properties for delivery in 2020/21;
- Completion of door entry replacement works at 30 locations providing increased security and better fire prevention measures; and
- User Acceptance Testing (UAT) on both the new Corporate Asset Management system and Housing Management System.

2.2 The Council responded to several consultation papers from the Ministry of Housing, Communities and Local Government (MHCLG) in 2018/19 including the Green Paper, ***A New Deal for Social Housing and future proposals on the Use of Right to Buy Receipts***. The hiatus in parliamentary business arising from the Brexit debate means the sector is still awaiting final proposals from government.

2.3 Among the consultation questions within the Green Paper the following have particular financial implications for the HRA moving forward:

- Are there any changes to what constitutes a Decent Home that we should consider?
- Do we need additional measures to make sure social homes are safe and decent?
- Views on whether the Government's current arrangements strike the right balance between providing grant funding for housing associations and HRA borrowing for local authorities; and
- What level of additional affordable housing, over existing investment plans, could be delivered by social housing providers if they were given longer term certainty over funding?

2.4 For financial year 2020/21, **revised rent guidance** has been introduced allowing increases of CPI + 1%. CPI as at September 2019 was 1.7% meaning that the indicative rise in rents for current tenants will be 2.7% (1.7% plus 1%) For the purposes of financial planning within the Medium-Term Financial Plan (2020-2024) rent uplifts are estimated at 3% (Bank of England CPI target of 2% + 1%).

2.5 On 9th October 2019, Chief Finance Officers across the country were informed that, with immediate effect, **"HM Treasury is ...restoring interest rates to levels available in 2018, by increasing the margin that applies to new loans from the Public Works Loans Board (PWLB) by 100bps (one percentage point) on top of usual lending terms."**

2.6 Following the lifting of the **borrowing cap** for the HRA in 2018/19, the Council has introduced a local limit on indebtedness to ensure compliance with the Prudential Code for Capital Finance in Local Authorities. Considering the change in PWLB borrowing rates and forecast operational surplus in future years, a revised local level on indebtedness is therefore recommended at **£152m** to provide:

- Capacity to increase the Council's HRA Capital Financing Requirement to meet refurbishment costs at the multi-storey flat sites subject to Government support or Homes England grant; and

- Subject to support for the schemes above, capacity to increase the stock base via bids on developer affordable housing projects and/or RBC projects.

2.7 Council received several reports in 2018/19 concerning the condition and potential options for both **Rounds Gardens and Biart Place**. In summary, approval was given to:

- Proceed with the Biart Place redevelopment design and procurement;
- Install additional fire alarms at Rounds Gardens based on recommendations by the fire risk assessor and Warwickshire Fire and Rescue Service and commence decanting the blocks with a deadline of 31<sup>st</sup> March 2022; and
- Proceed with the Rounds Gardens redevelopment, design and procurement.

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

2.11 To ensure that the Council has continuing earmarked balances to commence demolition and rebuild costs (notwithstanding central Government financial support) in 2020/21, it is proposed that £3.743m that would otherwise have been set aside for the repayment of debt as part of the HRA Medium Term Financial Plan will be utilised as Revenue Contributions to Capital Expenditure.

2.12 The updated HRA Medium Term Financial Plan (Appendix C) also contains continuing Revenue Contributions to Capital Expenditure in place of voluntary debt repayments. Adjustments have also been made for temporary rent loss and additional interest on debt where timelines can be estimated.

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

3.1 The HRA draft budget for 2020/21 (Appendix A) takes into account the end of regulation imposing a 1% rent reduction year-on-year since 2016/17. The 30-year HRA financial plan has also been updated to reflect changes, including high-rise site redevelopment, where the impact can be forecast.

#### **HRA Revenue Balance**

3.2 The level of the HRA Revenue balance was re-assessed prior to rent setting in 2018/19 considering potential risks arising from the Council's capacity to manage in-year budget pressures and the wider reform and regulatory environment. Further recommendations were made during 2018 and 2019 as part of reports to Council concerning high-rise sites.

3.3 After assessing for the above, the estimated HRA Revenue balance at 31<sup>st</sup> March 2020 will be **£5.459m**. This level is considered prudent to meet further revenue costs arising from decisions on the future of the high-rise sites and other

potential risks moving forward over the term of the HRA Medium Term Financial Plan.

### Major Repairs Reserve

3.4 The Major Repairs Reserve (MRR) reflects the need to replace major components as they wear out. This funding, together with previous allocations of supported borrowing and revenue contributions, has enabled the Council to maintain the housing stock in a good condition. As the housing Green Paper draws specific reference to “what constitutes a decent home” balances will require reviewing in light of any regulatory changes in future years. A major upgrade to the Council’s asset management system is currently in development which will utilise digital technology to better inform officers about stock condition, including energy efficiency. In turn this will allow for more accurate forecasting of component (bathrooms, kitchens, central heating, etc) replacement programmes.

3.5 The forecast MRR balances reflecting the capital programme proposals at Appendix B are as follows:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Balance b/fwd</b>	<b>2,559</b>	<b>1,641</b>	<b>1,037</b>	<b>2,215</b>
Depreciation/Appropriations from HRA Revenue	2,137	2,201	2,256	2,313
Interest Received	15	15	15	15
Capital Financing	(3,070)	(2,820)	(1,093)	(1,093)
<b>Balance c/fwd</b>	<b>1,641</b>	<b>1,037</b>	<b>2,215</b>	<b>3,450</b>

### Housing Repairs Account

3.6 The Housing Repairs Account is an earmarked reserve used to mitigate the risks associated with cyclical and responsive repairs over time. The forecast balance over the period of the medium-term financial plan is **£0.770m**.

### Housing Capital Investment Balances

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

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Balance b/fwd</b>	<b>10,425</b>	<b>3,988</b>	<b>2,979</b>	<b>1,937</b>
Contributions from HRA	3,743	2,564	2,638	2,663
Capital Financing for New Build / Acquisitions / Other Projects	(10,180)	(3,573)	(3,680)	(1,680)
<b>Balance c/fwd</b>	<b>3,988</b>	<b>2,979</b>	<b>1,937</b>	<b>1,801</b>

### Right-to-Buy (RTB) Capital Receipts

3.8 The Council entered a 1-4-1 retention agreement with MHCLG in 2012 allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 3 years. Receipts under the 1-4-1 retention agreement that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Only 30% of the expenditure incurred on replacement housing may be financed from RTB receipts. As noted in section 2, MHCLG consulted on changes to the use of Right-to-Buy receipts in October 2018 and the sector is still awaiting a formal response from government to its suggestions.

3.9 It is assumed that 20 homes will be sold under the Right-to-Buy per year over the period of the medium-term financial plan producing an average receipt of £85,000 per property (prior to pooling). Forecast balances over the period are as follows:

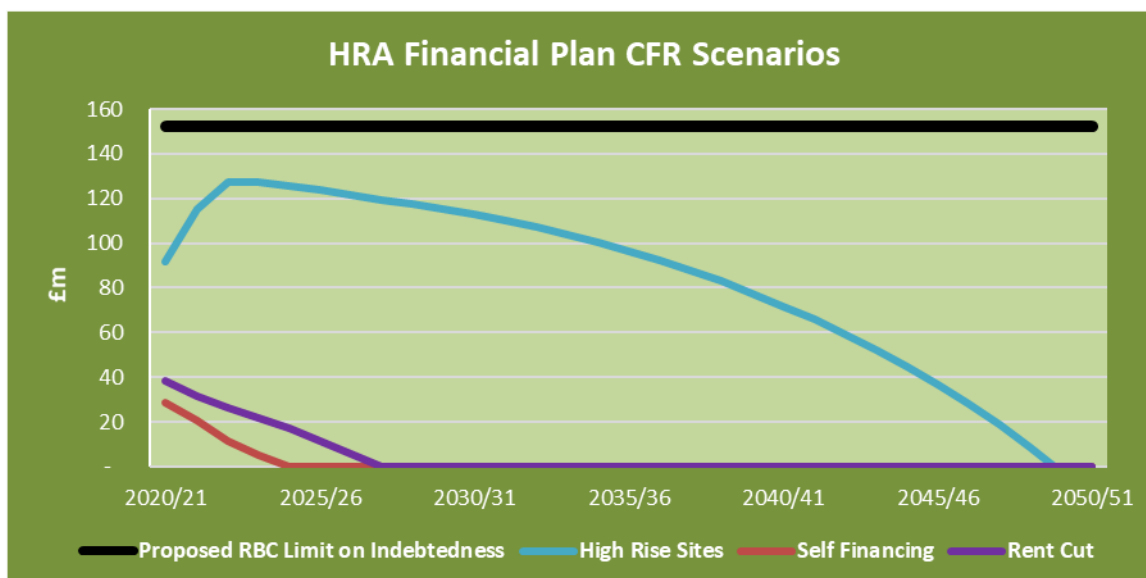
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Balance b/fwd</b>	<b>4,744</b>	<b>3,644</b>	<b>3,544</b>	<b>3,944</b>
Net Pooling Contribution	900	900	900	900
Capital Financing for New Build / Acquisitions	(2,000)	(1,000)	(500)	(500)
<b>Balance c/fwd</b>	<b>3,644</b>	<b>3,544</b>	<b>3,944</b>	<b>4,344</b>

## 4. MEDIUM TERM FUNDING OPTIONS

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

4.2 As noted in sections 2 and 3, sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment costs at the high-rise sites. In the absence of significant Central Government financial support or grant from Homes England, the revised debt repayment schedule will now extend to **2049/50**, subject to sensitivity around project timelines and cost estimates.

4.3 The chart below compares the original debt repayment schedule (*self-financing*), the revised schedule following the 1% rent cut (*rent cut*), and the updated schedule in light of the current redevelopment estimates (*high-rise sites*). The level of the proposed "debt cap" is also included for reference.



4.4 Reducing the level and extending the timeline of debt repayments to 2049/50 will increase the net interest payable by the HRA during this period. All debt rescheduling and increases to the HRA debt pool will be undertaken in conjunction with the principles set out in the Council's Treasury Management Strategy.

4.5 An updated HRA medium term financial plan reflecting the above position is included at Appendix C. The remainder of the report concentrates on proposals for 2020/21 including:

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

## 5. RENT

### Background

5.1 The Welfare Reform and Work Bill 2015 introduced a requirement for local authorities and other registered providers to reduce rents by 1% a year for four years beginning 2016/17. In 2019/20 this would have produced a rent increase of 3.40% (September 2018 CPI + 1%). The Council implemented the rent change in 2016/17, with an estimated cumulative rent differential over the 4-year period of **£5.107m**.

5.2 Following scrutiny of the bill in the House of Lords, exemption from the policy was granted for one year for sheltered accommodation in 2016/17. Special Council on 1<sup>st</sup> March 2016 therefore recommended that rents for properties in this group were frozen and the subsequent difference in rent charged set aside to an earmarked reserve. The impact in 2020/21 is £48,280.

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

5.4 Properties below target rent (the equivalent rent in the Housing Association sector) are still allowed to have rents uplifted to that rate at the point of vacancy and subsequent relet, with rents subsequently increased using the standard CPI + 1%. It is estimated that 150 homes below target rent will be relet during 2020/21 based on historic trends and stock availability following the decant of Biart Place.

5.5 Rent estimates for 2020/21 assume a stock level of c.3,590 available to let HRA properties at the start of April 2020. It is estimated that stock will fall by an estimated 20 Right-to-Buy sales in year. A further estimated 70 homes will fall vacant as part of the Rounds Gardens decant process. The fall in numbers will be mitigated by the acquisition of c.50 open market homes (including purchases from developers as part of S106 provisions). A void rate of 1.00% (excluding any decant properties) is estimated for 2020/21 (see page 13 for details).

### Rent Calculation

5.6 The calculations for rents are based on average rents over the entire year, i.e. without any free weeks. The percentages applied to this may not be the same as the ones applicable when considering a 48 or 49-week rent year. 2020/21 is a 48-week rent year and therefore rents will be charged accordingly.

5.7 The following calculations are based on stock numbers as at December 2019.

	2019/20	2020/21	Average	Average
	£'s	£'s	%	£
			Increase	Increase
Average Weekly Rent (52-week basis)	82.90	85.14	2.70	2.24

5.8 Since 2020/21 is a 48-week rent year the rents will be charged accordingly and therefore the figures shown here are for illustrative purposes. Estimated rental income from dwellings of £15.743m for 2020/21 has been included within the draft HRA revenue budgets as shown in Appendix A. The estimate is based on the central business case of:

- An average 1% void rate across the stock;
- Decant of c.70 homes at Rounds Gardens (cumulative c.140 homes by March 2021)
- 20 Right-to-Buy sales in 2020/21;
- Acquisition of new build properties at Rugby Gateway; and
- 150 re-lets where rent is uplifted to target rent



5.9 For each 1% change in the void rate the HRA rent loss is equivalent to £156,050. Each additional RTB sale produces an average rent loss of £4,100 in a full year. The average target rent in 2020/21 (52-week basis) will be £91.60 as compared to the average current rent of £85.14 (see above.)

## 6. SERVICE CHARGES

6.1 In line with government guidance, the Council carried out an exercise of depooling rent and service charges in 2006/07. This enabled tenants to see the estimated amount spent on services that had previously been included within the rent. Income from service charges is estimated at £0.997m in 2020/21 (including a void allowance of 1.00%).

6.2 The average weekly impact upon utilities and cleaning service charges arising from the estimates of costs associated with that service in 2020/21 (on a 52-week basis) is as follows:

Charge Type	Average Charge p/w (52 wk basis) £	Average Change p/w £
<b>Communal Lighting - Electricity</b> (Rebateable – eligible for Housing Benefit)	1.02	0.00
<b>Communal Heating - Gas</b> (Rebateable – eligible for Housing Benefit)	2.88	0.00
<b>Communal Cleaning</b> (Rebateable – eligible for Housing Benefit)	2.65	0.01
<b>Communal Heating – Gas</b> (Non-Rebateable – Very Sheltered Housing only – not eligible for Housing Benefit)	6.84	0.01
<b>Independent Living Co-ordinator</b>	9.17	0.24
<b>Concierge</b>	2.24	0.00
<b>Estate Officer</b>	17.75	0.00

6.3 Ongoing Concierge and Estate Officer charges are currently under review in light of the redevelopment projects at Biart Place and Rounds Garden and will therefore be held at 2019/20 prices. Independent Living Co-ordinator charges will rise in line with rent levels at 2.70% in 2020/21. Both services utilise the Control Centre located at the Rounds Gardens site.

## 7. PERFORMANCE MANAGEMENT

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

## Void Management

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

7.3 For 2020/21 the target for void property rent and service charge loss will be set at 1.00%, equating to £157,430. Most recent performance data shows void loss, excluding properties at the multi-storey flats, running at 1.74%. Where rechargeable works are identified at the point of tenancy termination, tenants are offered the opportunity to make good, or will be billed for the costs. Void rechargeable repairs (the works identified through this process) year to date are £28,000.

## Rent Collection/Bad Debt Provision

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

7.5 Government had originally intended to introduce Universal Credit on a phased basis from October 2013. However, full Borough-wide implementation for new claimants was not introduced until October 2015 and the transition for existing claimants is scheduled for completion in 2023/24.

7.6 Arrears greater than 4 weeks amounted to £1.147m as at 5<sup>th</sup> November 2019. The level of rent arrears has been reviewed in year and will be monitored until final budget setting in February. The HRA's contribution to bad debt provision is currently estimated at £114,110 in 2020/21 reflecting the above circumstances.

## 8. EXPENDITURE – ASSUMPTIONS

### Employee costs

8.1 The HRA budgets are based on the current staffing establishment and an increase in pay of 2.5% for 2020/21 based on the National Joint Council agreement. Progression through pay scales and increased employer contributions to the Local Government Pension Scheme have also been included in the base budget.

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

### Utility Costs

8.3 Gas and electricity costs have been estimated to attract the following inflation in 2020/21 as per ESPO Energy Briefing:

	Inflation Rate
Gas	5%
Electricity	15%

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

### **Central Recharges**

8.5 These costs are currently estimated at £2.404m in 2020/21 and include the HRA's proportion of Corporate Property, ICT, Legal, Human Resources, Payroll and other costs.

### **Charges for Capital**

8.6 MHCLG and the Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidelines regarding council dwelling depreciation and impairment to coincide with the introduction of 'self-financing'. Depreciation is used to provide a measure of the cost of the economic benefits embodied in an asset that have been consumed during the year. Estimates for 2020/21 charges are based around this guidance and there is a decrease of £0.062m on financial year 2019/20. If the final depreciation charge for 2020/21 is less or more than the estimate (£2.134m), the excess or deficit is transferred to the Major Repairs Reserve to ensure the smoothing of costs for major works over the medium term.

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

8.7 The HRA business plan initiated at the point of self-financing assumed that all in-year surpluses would be utilised in the repayment of debt, subject to the maintenance of a prudent HRA working balance. Prior to the introduction of the 1% rent cut and the redevelopment projects at high rise sites, estimates were that the HRA self-financing debt allocation of £72.949m would be repaid in 2024 (12 years following the settlement). As noted in sections 2 and 3, sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment costs at the high-rise sites. In the absence of significant government financial support or grant funding from Homes England, the revised debt repayment schedule will now extend to 2049/50, subject to sensitivity around project timelines and cost estimates.

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

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

### **Housing Repairs**

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

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

9.2 The transfer to the Housing Repairs Account in 2020/21 is estimated at £3.837m (£3.894m 2019/20). Works within this total include:

- Gas servicing and maintenance works – (£0.420m);
- Responsive repairs and voids (£2.390m);
- Repainting schemes - (£0.250m); and
- Electrical inspections and maintenance (£0.280m).

### **Major Works**

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

#### Heating Upgrades (£1.750m)

9.4 The original proposals for 2019/20 to 2023/24 included a heating upgrade/replacement programme of approximately 1500 properties (300 per annum) as part of the lifecycle replacements funded via the Major Repairs Reserve. The scheme has now been accelerated so that 600 properties will undergo replacements in 2020/21 and 2021/22. Works will be undertaken in combination **with** electrical inspections to:

- Maximise economies of scale;
- Mitigate against refusals – tenants value heating upgrades but often defer electrical inspections creating a backlog; and
- Ensure value for money when letting the gas maintenance contract in 2021 as quotes will be significantly reduced on an upgraded portfolio of boilers.

#### Bathrooms (£0.360m)

9.5 The proposals for 2020/21 include a bathroom replacement programme of approximately 140 properties to ensure continuing compliance with Decent Homes standards. A further 540 replacements will be undertaken in the period 2020/21 to 2024/25. Funding is via the Major Repairs Reserve.

#### Acquisitions (£3.024m)

9.6 To maintain compliance with its retained Right-to-Buy 1-4-1 Agreement with MHCLG, and to access homes made available via S106 agreement with developers the Council will acquire approximately 22 properties in 2020/21. The average cost of acquisition is estimated at £140,000 of which a maximum 30% (£42,000) is currently funded via Right-to-Buy sales receipts. The balance (70%) is funded via Housing Capital Investment balances. Where larger new build or acquisition schemes are envisaged, such as those outlined in section 2, reports will be brought to Council outlining operational and financing recommendations.

## 10. CONCLUSION

10.1 The estimates contained within this report represent the most up-to-date information and sensitivity analysis available in preparing the HRA revenue budget for 2020/21 and the HRA medium term financial plan 2020-24. Further changes may arise from the following operational and policy areas:

- Revisions to cost estimates, project timelines, and external funding in relation to Biart Place and Rounds Gardens redevelopment/refurbishment schemes;
- Staffing and other changes arising from a review of costs associated with CCTV and Concierge service charges
- Revisions to inflation estimates impacting construction industry materials and labour costs; and
- Direct and indirect impact of efficiency measures arising from:
  - Digitalisation measures
  - Structure and delivery mechanisms of support service recharges

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

**Name of Meeting:** Cabinet

**Date of Meeting:** 3 February 2020

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

**Originating Department:** Corporate Resources

**DO ANY BACKGROUND PAPERS APPLY**  YES  NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

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

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

**DRAFT REVENUE BUDGETS 2020/21 SUMMARY****HOUSING REVENUE ACCOUNT**

	2019/20 Original Budget £000s	2019/20 Revised Budget £000s	2020/21 Draft Budget £000s	Notes
<b>INCOME :-</b>				
Rent Income From Dwellings	(15,547)	(15,547)	(15,743)	1
Rent Income From Non - Dwellings	(138)	(138)	(133)	2
Charges For Services	(1,047)	(1,047)	(997)	3
Contributions Towards Expenditure	(216)	(216)	(214)	
<b>Total Income</b>	<b>(16,948)</b>	<b>(16,948)</b>	<b>(17,088)</b>	
<b>EXPENDITURE :-</b>				
Transfer To Housing Repairs Account	3,769	3,894	3,837	
Supervision & Management	5,775	5,775	5,643	4
Rents, Rates, Taxes & Other Charges	5	5	5	
Depreciation and Impairment	2,075	2,075	2,137	5
Debt Management Cost	24	24	24	
Provision For Bad or Doubtful Debt	61	61	114	
Amounts set aside for the repayment of debt	0	0	0	6
<b>Total Expenditure</b>	<b>11,709</b>	<b>11,834</b>	<b>11,761</b>	
HRA Share of Corporate & Democratic Core Costs	224	224	224	
<b>NET COST OF HRA SERVICES</b>	<b>(5,014)</b>	<b>(4,889)</b>	<b>(5,103)</b>	
<b>HRA SHARE OF OPERATING INCOME &amp; EXPENDITURE INCLUDED IN THE WHOLE AUTHORITY INCOME &amp; EXPENDITURE ACCOUNT</b>				
Interest Payable & Similar Charges	1,532	1,532	1,532	
Interest & Investment Income	(171)	(171)	(220)	
<b>NET OPERATING EXPENDITURE</b>	<b>(3,654)</b>	<b>(3,529)</b>	<b>(3,791)</b>	
Revenue Contributions to Capital Expenditure	3,601	3,601	3,743	6
Contributions to (+) / from (-) Reserves	52	52	48	
<b>Surplus(-)/Deficit for year</b>	<b>0</b>	<b>125</b>	<b>0</b>	

## Notes

- 1 Rent estimates based on rent increase of 2.7% and estimated 20 RTB sales in year.
- 2 Garage rents have been increased in line with national guidance but this has been offset by an increase in the number of void/empty properties.
- 3 The net change in service charge income reflects any inflationary rises noted within the report and includes a void allowance of 1.00%.
- 4 The main adjustments from the supervision & management revised budget for 2020/21 are:

	£
Internal Recharges	199
Reduction in CCTV costs following renegotiation of contract	(26)
Security for Multi-Storey flats reduced now that Biart Place has been	(275)
Pension / Low Pay Adjustments	(23)
Other net changes less than £10,000	(7)
	<hr/>
Total change in Supervision & Management budget	(131)

- 5 MHCLG and CIPFA have produced guidelines regarding council dwelling depreciation to co-incide with the introduction of HRA self-financing. Estimates for 2020/21 have been prepared on this basis.
- 6 Sums set aside for the voluntary repayment of debt will be diverted to balances during the period of the HRA Medium Term Financial Plan to fund redevelopment costs at the multi-storey sites.



Proposed Housing Revenue Account (HRA) Capital Programme 2020/21 and onwards					
	Revised 2019/20 Capital Programme £000s	Anticipated 2019/20 slippage into 2020/21 £000s	Proposed 2020/21 Capital Programme £000s	Proposed 2021/22 Capital Programme £000s	Proposed 2022/23 Capital Programme £000s
<b>Improvements &amp; Capitalised Repairs</b>					
Bathrooms	358	0	358	358	358
Fire Risk Prevention Works	68	0	70	70	70
Heating Upgrades	869	0	1,735	1,735	350
Kitchen Improvements	109	0	52	52	52
Patterdale Sheltered Scheme	70	0	0	0	0
Energy Efficiency Long Lawford External Cladding Phase 2	900	0	0	0	0
CCTV Upgrades	45	45	0	0	0
Soffit / Gutter Improvements	57	0	57	57	57
Replacement Footpaths	20	0	100	0	0
External Walls	50	0	50	50	0
Housing Window Replacement	60	0	0	0	0
Fire Alarms - Rounds Gardens	80	0	0	0	0
Roof Refurbishment - Lesley Souter House	70	0	0	0	0
Entrance Doors / Door Entry Systems	292	0	292	292	0
Electrical Upgrades - Community Rooms	36	0	150	0	0
Boiler Works - Tanser Court	0	105	0	0	0
LED Lighting	37	0	0	0	0
<b>Housing Management System</b>	404	0	60	60	60
<b>Solar PV</b>	12	0	0	0	0
<b>Disabled Adaptations</b>	278	0	206	206	206
<b>Lifeline Renewal Programme</b>	67	0	30	30	30
<b>Property Repairs Vehicle Replacement</b>	300	0	0	0	0
<b>Purchase of Council Homes</b>	1,960	0	3,024	1,685	1,685
<b>Cawston Meadows Houses</b>	826	0	0	0	0
<b>Rugby Gateway Houses - CALA Homes</b>	0	434	0	0	0
<b>Rugby Gateway Houses - Bloor Homes</b>	675	3	0	0	0
<b>Rounds Gardens Capital</b>	955	2,430	0	0	0
<b>Biart Place</b>	1,533	0	0	0	0
<b>Biart Place Demolition</b>	2,870	0	0	0	0
<b>HRA Garage Sites</b>	48	1,252	0	0	0
<b>Bell House Redevelopment</b>	40	1,974	0	0	0
<b>Housing Acquisitions Fund</b>	8,283	4,217	0	0	0
<b>TOTAL</b>	<b>21,374</b>	<b>10,460</b>	<b>6,184</b>	<b>4,595</b>	<b>2,868</b>
<b>Draft Financing: -</b>					
Revenue Contributions / RTB Receipts	15,149	10,355	3,114	1,775	1,775
Major Repairs Reserve	6,225	105	3,070	2,820	1,093
<b>TOTAL</b>	<b>21,374</b>	<b>10,460</b>	<b>6,184</b>	<b>4,595</b>	<b>2,868</b>

**MEDIUM TERM FINANCIAL PLAN - HOUSING REVENUE ACCOUNT (HRA): 2020/21 - 2023/24**

	2020/21 £000s	2021/22 £000s	2022/23 £000s	2023/24 £000s
<b>EXPENDITURE</b>				
Supervision & Management	5,643	5,517	5,655	5,797
Repairs & Maintenance	3,837	4,001	4,101	4,204
Rents, Rates, Taxes	5	5	5	5
Charges for Capital	2,137	2,201	2,267	2,335
Debt Management	24	15	16	16
Provision for Bad Debts	114	64	68	71
HRA Share of Corporate & Democratic Core Costs	224	219	225	230
Revenue Contributions to Capital Expenditure	3,743	2,564	2,638	2,663
Net Interest Payments	1,312	2,590	3,031	3,181
Contribution to/from(-) reserves	48	48	48	48
<b>Total</b>	<b>17,087</b>	<b>17,226</b>	<b>18,054</b>	<b>18,551</b>
<b>INCOME</b>				
Dwelling Rent	(15,743)	(15,776)	(16,568)	(17,027)
Non Dwelling Rent	(133)	(136)	(139)	(143)
Service Charges	(997)	(1,093)	(1,120)	(1,148)
Contributions towards expenditure	(214)	(221)	(227)	(233)
<b>TOTAL</b>	<b>(17,087)</b>	<b>(17,226)</b>	<b>(18,054)</b>	<b>(18,551)</b>

Impact on Average Rent (52 week basis):	£	£	£	£
Prior Year	82.90	85.14	87.69	90.32
Current Year	85.14	87.69	90.32	93.03
Increase £'s	2.24	2.55	2.63	2.71
Increase %	2.70	3.00	3.00	3.00

## Agenda No 8

### AGENDA MANAGEMENT SHEET

**Report Title:** Regulation of Investigatory Powers Act 2000 (RIPA) Policy

**Name of Committee:** Cabinet

**Date of Meeting:** 3 February 2020

**Report Director:** Executive Director

**Portfolio:** Executive Director

**Ward Relevance:** All wards

**Prior Consultation:** Regulatory Services, Financial Services

**Contact Officer:** Aftab Razzaq (Legal, Democratic & Electoral Services Manager) 01788 533521 or [aftab.razzaq@rugby.gov.uk](mailto:aftab.razzaq@rugby.gov.uk)

**Public or Private:** Public

**Report Subject to Call-In:** Yes

**Report En-Bloc:** No

**Forward Plan:** Yes

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

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

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

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

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

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

Ensure that the council works efficiently and effectively (CR)

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

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

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

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

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

**Statutory/Policy Background:** As set out within the body of this report

**Summary:** This updated policy is in accordance with the recommendations from the inspection from the IPCO. This ensures that the Council is operating in accordance with its legal obligations as detailed within this report.

**Financial Implications:** There are no direct implications as a result of this report. Any costs associated with the adoption of the policy will need to be funded from the services it relates to.

**Risk Management Implications:** The Council is required to comply with its statutory obligations as detailed within this report.

**Environmental Implications:** None

**Legal Implications:** The Regulation of Investigatory Powers Act 2000 ('RIPA') provides a statutory mechanism for authorising covert directed surveillance operations or the use of a 'Covert Human Intelligence Source' (CHIS). A failure to comply with RIPA could result in the exclusion by a court of evidence needed to convict a criminal. A failure to comply with RIPA can result in claims from individuals seeking compensation for alleged breaches of privacy.

**Equality and Diversity:** In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The Council has had due regard to this duty in accordance with the Equality Act 2010.

**Options:**

To approve the policy as per the recommendation or not approve the proposed policy.

**Recommendation:**

- (1) The RIPA Policy attached at Appendix 1 be approved; and
- (2) the officers listed in the policy be authorised to authorise direct surveillance and the use of covert human intelligence sources; and
- (3) delegated authority be given to the Executive Director to make any non-material amendments to the approved RIPA Policy.

**Reasons for Recommendation:**

The recommendations are supported by the following reasons :-

- (a) In order to ensure that the Council complies with the legal obligations under RIPA and national guidance.
- (b) To update RIPA policy and procedures following the RIPA inspection
- (c) To help in giving transparency about the use of RIPA in this Council.

**Cabinet - 3 February 2020**

**Regulation of Investigatory Powers Act 2000 (RIPA) Policy**

**Public Report of the Executive Director**

**Recommendation**

- (1) The RIPA Policy attached at Appendix 1 be approved; and
- (2) the officers listed in the policy be authorised to authorise direct surveillance and the use of covert human intelligence sources; and
- (3) delegated authority be given to the Executive Director to make any non-material amendments to the approved RIPA Policy.

**1. Purpose of this Report**

1.1. The purpose of this report is to inform and update Members about issues relevant to the use of the Regulation of Investigatory Powers Act 2000 and developments that have taken place.

1.2 Members are asked to approve an updated RIPA Policy and approve the officers authorised to approve RIPA applications.

1.3 This approval is in addition to the Council's present operational policies and procedures that fall outside of RIPA.

**2. Background**

2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) enables the Council to undertake certain types of surveillance activity. This is provided the specific procedures are followed. This surveillance can then be relied upon in court proceedings.

2.2 By requiring directed covert surveillance operations or the proposed use of a Covert Human Intelligence Source (CHIS) to be authorised in advance and kept under review by a limited number of senior officers; RIPA seeks to ensure that any interference with an individual's right to privacy under Article 8 of the Convention on Human Rights and Fundamental Freedoms, is both necessary and proportionate.

2.3 The Investigatory Powers Commissioner's Office (IPCO) provides regulatory oversight of the way in which public authorities use RIPA. As with all regulatory bodies the IPCO carries out periodic inspections of local authorities.

### **3. Inspection by IPCO/Findings**

3.1 The Council was inspected by the IPCO on the 4<sup>th</sup> February 2019. Following this inspection, the Council was provided with observations and recommendations and this included an update to the Council's RIPA Policy. This update would require the incorporation of the following matters;

- An explanation of the internal procedures for application, authorisation and magisterial approval for directed surveillance and CHIS
- Practical advice for applicants and authorising officers on what needs to be considered and included in the requisite forms
- The maintenance, completion and information required to be contained in the Central Record of authorisations
- Identification of the key roles and functions within the council to ensure compliance
- Guidance regarding online activity
- Ensure that the provisions contained in the revised Codes of Practice for Covert Surveillance and CHIS are included
- Engagement with elected members to approve the policy and thereafter receive periodic reporting regarding usage of RIPA.

3.2 Key officers have been involved in the drafting of the updated policy and the draft policy attached to this report reflects the updated position of the Council. It also ensures that the Council has implemented the recommendations of the IPCO inspection.

3.3. In addition to the approval of this updated policy the Council has now undertaken a training programme with key officers on the updated policy, and the requirements of the RIPA framework. There will also be an implementation of the topic of RIPA into the staff training programme. This will ensure a comprehensive awareness amongst key staff and the Council of the requirements under RIPA.

**Name of Meeting:** Cabinet

**Date of Meeting:** 3 February 2020

**Subject Matter:** Regulation of Investigatory Powers Act 2000 (RIPA)  
Policy

**Originating Department:** Executive Director

**DO ANY BACKGROUND PAPERS APPLY**  YES  NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

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

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A





## **Rugby Borough Council**

### **Regulation of Investigatory Powers Act 2000 Corporate Policy & Procedures**

Statement of Intent: Rugby Borough Council attaches a high value to the privacy of citizens. It will adhere to the letter and to the spirit of the Act and will comply with this policy.

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# **1 Introduction**

- 1.1 The Regulation of Investigatory Powers Act 2000 (“RIPA”) is designed to ensure that public bodies respect the privacy of members of the public when carrying out investigations, and that privacy is only interfered with where the law permits and where there is a clear public interest justification.
- 1.2 The purpose of this policy is to explain the scope of RIPA and the circumstances where it applies to the Council. It provides guidance on the authorisation procedures to be followed in the event that surveillance is needed. This policy sets out the correct management of the process by the Council.
- 1.3 This policy also ensures that activities that should be subject to RIPA authorisation are recognised as such and that appropriate authorisation is sought. It also seeks to ensure that any activity which should be carefully monitored, but which is not subject to RIPA authorisation, is still given correct authority and scrutiny.
- 1.4 The Protection of Freedoms Act 2012 imposes restrictions on the circumstances in which the Council is permitted to use Directed Surveillance and this policy has been updated to take into account these new restrictions. Separate guidance has been issued by the Home Office which specifies the procedure for the consideration and approval of applications by Magistrates and this policy must be read in conjunction with that procedure and documents issued by the Office of the Surveillance Commissioner.
- 1.5 The Executive Director is the Senior Responsible Officer for the RIPA process for the Council. The SRO is also responsible for:
  - the integrity of the process in place within the public authority to authorise Directed Surveillance;
  - compliance with Part II of the 2000 Act, and with this code;
  - engagement with the Commissioners and inspectors when they conduct their inspections, and
  - where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner.
- 1.6 All staff involved in the process must take their responsibilities seriously in order to assist with the integrity of the Council’s processes and procedures.
- 1.7 In preparing this policy the Council has followed the current RIPA Codes of Practice produced by the Home Office and the Office of Surveillance Commissioners (OSC) Procedures and Guidance 2016. The OSC is now the Investigatory Powers Commissioner’s Office (IPCO). However, the document is still current.
- 1.8 In the case of any uncertainty, advice should be sought from an Authorising Officer or the Legal, Democratic and Electoral Services Manager, who is the Council’s RIPA Monitoring Officer.

1.9 Copies of the Codes of Practice can be found at the following links:

<https://www.gov.uk/government/collections/ripa-codes>

1.10 Further guidance can also be obtained from the Investigatory Powers Commissioner's Office website:

<https://www.ipco.org.uk/>

## **2 Background**

2.1 The Human Rights Act 1998 brought into UK law many of the provisions of the 1950 European Convention on Human Rights and Fundamental Freedoms. Article 8 requires the Council to have respect for people's private and family lives, their homes, and their correspondence. These subjects can be referred to as "Article 8 rights".

2.2 The Human Rights Act makes it unlawful for any local authority to act in a way which is incompatible with the European Convention on Human Rights. However, these are not absolute rights and are qualified by the ability of the Council to interfere with a person's Article 8 rights if :-

- such interference is in accordance with the law
- is **necessary**; and
- is **proportionate**

2.3 "*In accordance with the law*" means that any such interference is undertaken in accordance with the mechanism set down by RIPA and the Home Office Covert Surveillance Codes of Practice. The Codes of Practice deal with the use of Covert Surveillance and the use of persons such as informants and undercover officers who gather information in a covert capacity, known as a **Covert Human Intelligence Source or "CHIS"**. Any covert activity must also meet the test of necessity and proportionality and these are dealt with later in this policy.

2.4 A considerable amount of observations are carried out in an overt capacity by Council employees carrying out their normal functions. These activities are general and routine and do not involve the systematic surveillance of an individual. RIPA is not designed to prevent these activities or regulate them.

2.5 RIPA also applies to the **Accessing of Communications Data** under Part 1, Chapter 2 of the legislation. The Council is not permitted under the legislation to access communications data under the Single Point of Contact ("SPOC") provisions.

- 2.6 The Council has numerous statutory duties and powers to investigate the activities of private individuals and organisations within its jurisdiction for the benefit and protection of the greater public. Some of these investigations may require surveillance or the use of a CHIS. These may include:
- environmental health
  - housing
  - planning
  - audit
  - fraud
- 2.7 RIPA provides a framework to control and supervise covert activities such as surveillance and the use of a covert human intelligence source (CHIS) in these criminal investigations. It aims to balance the need to protect the privacy of individuals against the need to protect others by the Council in compliance with its enforcement functions. Covert Surveillance and CHIS are covered by separate Codes of Practice which can be found on the Council's SharePoint RIPA page.

### **3 When RIPA applies**

- 3.1 For Directed Surveillance, amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 ("the 2010 Order") mean that a local authority can only grant an authorisation under RIPA where the local authority is investigating criminal offences which attract a custodial sentence of a minimum term of at least 6 months' imprisonment, or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.
- 3.2 It should be noted that the provision relating to the prevention of disorder is no longer included for Directed Surveillance and there is no provision for a Local Authority to authorise an urgent oral authorisation as all applications and renewals must be approved by a Magistrate.
- 3.3 The lawful criteria for CHIS is **prevention and detection of crime and prevention of disorder** and the offence does not have to have a sentence of 6 months imprisonment.
- 3.4 The RIPA authorisation process can only be used for and in connection with the Council's core functions.
- 3.5 Using the RIPA application process helps protect the Council from legal challenges and provides the lawful authority for Officers to conduct Directed Surveillance and use CHIS. Rugby Borough Council and its staff have a responsibility to adhere to the legislation and the Human Rights Act. Any contract staff employed by Rugby Borough Council to undertake such activity are also covered by the codes and this policy.

- 3.6 The RIPA Codes of Practice state where there is an interference by a public authority with the right to respect for private and family life guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority, the consequence of not obtaining an authorisation under the 2000 Act may be that the action is unlawful by virtue of section 6 of the Human Rights Act 1998.
- 3.7 Public authorities are therefore strongly recommended to seek an authorisation under RIPA where the surveillance is likely to interfere with a person's Article 8 rights to privacy by obtaining private information about that person, whether or not that person is the subject of the investigation or operation. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse.
- 3.8 In some instances, it is not possible to obtain RIPA authorisation for surveillance activities due to the limited grounds set in the legislation where authorisation can be granted. It may be, however, that covert surveillance is still necessary and proportionate. This is dealt with later in this Policy in section 6.

## **4 Surveillance Definitions**

### **4.1 Surveillance**

- 4.1.1 Surveillance is defined in paragraph 2.2 of the Codes of Practice as:

*“Surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.”*

### **4.2 Covert Surveillance**

- 4.2.1 Covert Surveillance is defined in paragraph 2.3 of the Codes of Practice as:

*“Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.”*

- 4.2.2 If activities are open and not hidden from the persons subject to surveillance such as Officers conducting Council business openly, e.g. a market inspector walking through markets, the RIPA framework does not apply because that is overt surveillance. Equally, if the subject is told that surveillance will be taking place, the surveillance is overt. This would happen, for example, where a noise maker is informed that noise will be recorded if it continues. RIPA does not regulate overt surveillance.

4.2.3 RIPA regulates only two types of Covert Surveillance which are:

- Directed Surveillance
- Intrusive Surveillance

### **4.3 Directed Surveillance**

4.3.1 Surveillance is Directed Surveillance (paragraph 3.1 of the Codes of Practice) if the following are all true:

*it is covert, but not intrusive surveillance;*

*it is conducted for the purposes of a specific investigation or operation;*

*it is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);*

*it is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the 2000 Act to be sought.*

4.3.2 The planned covert surveillance of a specific person, where not intrusive, would constitute Directed Surveillance if such surveillance is likely to result in the obtaining of private information about that, or any other person.

4.3.3 Remember that the offence must be capable of having a 6 month maximum custodial sentence or relate to the sale of alcohol and tobacco to children.

4.3.4 It is important that all activity that may constitute surveillance is recognised as such and correctly authorised, either as Directed Surveillance or, in some instances, as surveillance outside of RIPA (see section 6) as governed by this policy. Anything involving the use of concealed cameras or anything involving keeping covert observation on premises or people should be considered as potentially amounting to Directed Surveillance. In the case of uncertainty advice should be sought from the Legal, Democratic & Electoral Services Manager.

### **4.4 Private information**

4.5 Private information includes any information relating to a person's private or family life. Private information should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships.

4.6 Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a public



authority of that person's activities for future consideration or analysis. Surveillance of publicly accessible areas of the internet should be treated in a similar way, recognising that there may be an expectation of privacy over information which is on the internet, particularly where accessing information on social media websites.

**Example:** Two people holding a conversation on the street or in a bus may have a reasonable expectation of privacy over the contents of that conversation, even though they are associating in public. The contents of such a conversation should therefore still be considered as private information. A directed surveillance authorisation would therefore be appropriate for a public authority to record or listen to the conversation as part of a specific investigation or operation

**Example:** Accessing a public website once to gather information would not require an authorisation. However, regular monitoring of the website or attempting to purchase or gather information via a private website (e.g. Facebook) where the user is required to provide their details and this requires personal account (not council) or false details, this is likely to require authorisation.

- 4.7 Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute private information even if individual records do not. Where such conduct includes surveillance, a Directed Surveillance authorisation may be considered appropriate.

**Example:** Rugby Borough Officers wish to drive past a café for the purposes of obtaining a photograph of the exterior. Reconnaissance of this nature is not likely to require a directed surveillance authorisation as no private information about any person is likely to be obtained or recorded. However, if the authority wished to conduct a similar exercise, for example to establish a pattern of occupancy of the premises by any person, the accumulation of information is likely to result in the obtaining of private information about that person and a directed surveillance authorisation should be considered.

- 4.8 Private information may include personal data, such as names, telephone numbers and address details. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

**Example:** A surveillance officer intends to record a specific person providing their name and telephone number to a shop assistant, in order to confirm their identity, as part of a criminal investigation. Although the person has disclosed these details in a public place, there is nevertheless a reasonable expectation that the details are not being recorded separately for another purpose. A directed surveillance authorisation should therefore be sought.

## **5 Risks of not having a RIPA Authorisation**

- 5.1 If Investigators undertake covert activity to which this legislation applies without the relevant authority being obtained and the case progressed to criminal proceedings the defence may challenge the validity of the way in which the evidence was obtained under Section 78 of the Police and Criminal Evidence Act 1984. Should the evidence then be disallowed by a court, the prosecution case may be lost with a financial cost to the Council.
- 5.2 The person who was the subject of surveillance may complain to an independent tribunal who may order the Council to pay compensation. The activity may also be challenged through the civil courts under the Human Rights Act 1998 for breach of privacy.
- 5.3 A properly obtained and implemented authorisation under RIPA will provide the Council with lawful authority to interfere with the rights of the individual. It is not simply enough that an authorisation for surveillance is obtained. It must be properly obtained, implemented, managed, reviewed and cancelled.

## **6 Surveillance Outside of RIPA**

- 6.1 The Council has duties where the use of RIPA is no longer permitted. In order to meet these duties and legal obligations there may be a necessity for the Council to undertake surveillance which does not meet the criteria to use the RIPA legislation such as, in cases of serious disciplinary investigations. The Council must still meet its obligations under the Human Rights Act and therefore any surveillance outside of RIPA must still be necessary and proportionate, having taken account of the intrusion issues. The decision making process and the management of such surveillance will mirror that of RIPA-authorized surveillance, except that the activity will not require approval from a Magistrate.
- 6.2 An application will be made using the current RIPA application forms published on GOV.UK, but will be altered to show that this is a non-RIPA authorisation.
- 6.3 The Authorising Officer will be required to give the application the same degree of consideration and copies of all forms will be passed to the RIPA Monitoring Officer, who will keep a record of all activity separately from the records of RIPA-authorized surveillance.

## **7 Immediate Response to Events**

- 7.1 There may be occasions when officers come across events unfolding which were not pre-planned which then require them to carry out some form of observation. This will not amount to Directed Surveillance under RIPA. However, as the Council is no longer able to grant urgent oral authority to conduct surveillance, if it is carried out the officer must be prepared to explain their decisions in court should it be necessary. Therefore, they should document their decisions, why it was necessary, what took place and what evidence or information was obtained and why it was proportionate to the incident or offence under investigation.

## **8 Recording of Telephone Conversations**

- 8.1 The recording of telephone conversations connected to criminal investigations outside of the Councils monitoring at work policy for its own equipment, falls under RIPA. Where one party to the communication consents to the interception, it may be authorised as Directed Surveillance.
- 8.2 There may be occasions where this is required such as a witness who has text or voicemail evidence on their mobile telephone and the Council require to examine the phone.

## **9 Intrusive surveillance**

- 9.1 Rugby Borough Council has no authority in law to carry out Intrusive Surveillance or activity under the Police Act 1997.
- 9.2 Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:  
  
*is carried out in relation to anything taking place on any residential premises or in any private vehicle; and*  
  
*involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.*
- 9.3 Where surveillance is carried out in relation to anything taking place on any residential premises or in any private vehicle by means of a device, without that device being present on the premises, or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle. Thus, an observation post outside premises, which provides a limited view and no sound of what is happening inside the premises, would not be considered as intrusive surveillance.
- 9.4 A risk assessment of the capability of equipment being used for surveillance on residential premises and private vehicles should be carried out to ensure that it does not fall into Intrusive Surveillance.
- 9.5 Commercial premises and vehicles are excluded from the definition of intrusive surveillance. However, they are dealt with under the heading of Property Interference contained within the Police Act 1997. The Council has no lawful authority to carry out any activity under this Act.

## **10 Covert Human Intelligence Source (CHIS)**

### **10.1 Definition**

- 10.1.1 A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the council. However, the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Fraud Hotline. Members of the public acting in this way would not generally be regarded as sources.
- 10.1.2 Under section 26(8) of the 2000 Act a person is a source if:
- (a) he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
  - (b) he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
  - (c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.
- 10.1.3 By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.
- 10.1.4 By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.
- 10.1.5 Special provisions exist for the conduct in use of sources under 18.
- 10.1.6 A source under 16 cannot be engaged to use a relationship with any person having parental responsibility for them. A source under 16 must have an appropriate adult present during any meetings and a risk assessment must also take place before granting or renewing an authorisation for the conduct and use of a source under 16. This will take account of physical and psychological risks. See the Regulation of Investigatory Powers (Juveniles) Order 2000 for detailed guidance <http://www.legislation.gov.uk/uksi/2000/2793/contents/made>
- 10.1.7 Only the Executive Director can authorise the use of a juvenile CHIS (under 18 year of age).
- 10.1.8 Special consideration should also be given to the use of vulnerable individuals as a source. This will require the highest level of Authorising Officer, the Executive Director (see the code of practice for further guidance).

10.1.9 The use by Rugby Borough Council of a CHIS is expected to be extremely rare and if contemplated advice should be sought from the Legal, Democratic & Electoral Services Manager.

## **10.2 Conduct and Use of a Source**

10.2.1 Rugby Borough Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation. The Handler and Controller of the source will usually be of a rank or position below that of the Authorising Officer.

10.2.2 The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

10.2.3 The **conduct** of a source is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

10.2.4 The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfil whatever tasks are given to them or which is incidental to it. Both the use and conduct require separate consideration before authorisation. However, both are normally authorised on the same application.

10.2.5 When completing applications for the use of a CHIS this will include who the CHIS is, what they can do and for which purpose

10.2.6 When determining whether a CHIS authorisation is required consideration should be given to the covert relationship between the parties and the purposes mentioned in a, b, and c above.

10.2.7 Unlike Directed Surveillance, which relates specifically to private information, authorisations for the use or conduct of a CHIS do not relate specifically to private information, but to the covert manipulation of a relationship to gain any information. Accordingly, any manipulation of a relationship by a public authority (e.g. one party having a covert purpose on behalf of a public authority) is likely to engage Article 8, regardless of whether or not the public authority intends to acquire private information

### **10.3 Management of Sources**

10.3.1 Within the provisions there has to be;

- (a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)
- (b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)
- (c) at all times there will be a person who will have responsibility for maintaining a record of the use made of the source

10.3.2 The **Handler** will have day to day responsibility for:

- dealing with the source on behalf of the authority concerned;
- directing the day to day activities of the source;
- recording the information supplied by the source; and
- monitoring the source's security and welfare;

10.3.3 The **Controller** will be responsible for the general oversight of the use of the source.

### **10.4 Tasking**

10.4.1 Tasking is the assignment given to the source by the Handler or Controller by, asking him to obtain information, to provide access to information or to otherwise act, incidentally, for the benefit of the relevant public authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

10.4.2 In some instances, the tasking given to a person will not require the source to establish a personal or other relationship for a covert purpose. For example, a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items which have been labelled misleadingly or are unfit for consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

10.4.3 Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of all of the aspects relating to tasking contained within the CHIS codes of Practice.

## **10.5 Security and Welfare**

10.5.1 The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before authorising the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

## **10.6 Records**

10.6.1 Proper records must be kept of the authorisation and use of a source as required by the Regulation 3 of the Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI no 2725) namely:

- a) the identity of the source;
- b) the identity, where known, used by the source;
- c) any relevant investigating authority other than the authority maintaining the records;
- d) the means by which the source is referred to within each relevant investigating authority;
- e) any other significant information connected with the security and welfare of the source;
- f) any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (e) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g) the date when, and the circumstances in which, the source was recruited;
- h) the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i) the periods during which those persons have discharged those responsibilities;
- j) the tasks given to the source and the demands made of him in relation to his activities as a source;
- k) all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;

- l) the information obtained by each relevant investigating authority by the conduct or use of the source;
  - m) any dissemination by that authority of information obtained in that way; and
  - n) in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.
- 10.6.2 The records kept by public authorities should be maintained in such a way as to preserve the confidentiality, or prevent disclosure of the identity of the CHIS, and the information provided by that CHIS.
- 10.6.3 The Council will comply with the Lord Chancellor's Code of Practice on the management of records issued under section 46 of the Freedom of Information Act 2000. The Council is obliged to meet the legal requirements for the retention and disposal of records in accordance with relevant legislation, particularly the Public Records Act 1958 (PRA 1958), the Freedom of Information Act 2000 (FOIA 2000), the Data Protection Act 2018 (DPA 2018) and the General Data Protection Regulation (GDPR).

## **11 RIPA Application and Authorisation Process**

### ***11.1 Application, Review, Renewal and Cancellation Forms***

- 11.1.1 No covert activity covered by RIPA should be undertaken at any time unless it has been authorised by an Authorised Officer and approved by a Magistrate.
- 11.1.2 All the relevant forms for authorisation through to cancellation must be in writing using the standard forms which are available on the Council's SharePoint site or directly from GOV.UK, but officers must ensure that the circumstances of each case are accurately recorded on the application form (see Application Process).
- 11.1.3 If it is intended to undertake both Directed Surveillance and the use of a CHIS on the same surveillance subject the respective applications form and procedures should be followed and both activities should be considered separately on their own merits.
- 11.1.4 An application for an authorisation must include an assessment of the risk of any Collateral Intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the Directed Surveillance or the use of a CHIS.



## **11.2 Applications**

- 11.2.1 All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer and then the Magistrate to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.
- 11.2.2 All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team in order that they are aware of the activities being undertaken by the staff. The Line Manager will perform an initial quality check of the application. However, they should not be involved in the sanctioning of the authorisation. Completed application forms are to be initialled by Line Managers to show that the quality check has been completed.
- 11.2.3 Applications whether authorised or refused will be issued with a unique number by the Authorising Officer and copies will be sent to the Legal Services Team who will maintain a central register.
- 11.2.4 The procedure for submitting applications to Magistrates for consideration is set out in the procedure issued by the Home Office for this purpose.

## **11.3 Duration of Applications**

<b>Directed Surveillance</b>	3 Months
Renewal	3 Months
<b>Covert Human Intelligence Source</b>	12 Months
Juvenile Sources	1 Month
Renewal	12 Months
Juvenile Sources	1 Month

- 11.3.1 The three-month commencement date is the date approved by a Magistrate.
- 11.3.2 All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire.

## **11.4 Reviews**

- 11.4.1 Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves Collateral Intrusion.

- 11.4.2 In each case, the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However, reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.
- 11.4.3 Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However, if the circumstances or the objectives have changed considerably, a new application form may be more appropriate which will need authorising and approval by a Magistrate. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.
- 11.4.4 Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

## **11.5 Renewal**

- 11.5.1 If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, they may renew it in writing for a further period of three months. Like applications, all renewals must also be approved by a Magistrate.
- 11.5.2 An application for renewal should not be made until shortly before the authorisation period is drawing to an end but the applicant must consider the need to allow sufficient time for consideration by the Authorising Officer and any potential delay in getting the matter before a Magistrate for consideration. A renewal for three months takes effect on which the authorisation would have ceased.
- 11.5.3 Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusions issues before making a decision to renew the activity.
- 11.5.4 A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained.
- 11.5.5 The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

## **11.6 Cancellation**

- 11.6.1 The cancellation form is to be submitted by the applicant or another investigator in their absence as soon as it is no longer necessary or proportionate to continue with the covert activity. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the Directed Surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer
- 11.6.2 As soon as the decision is taken that Directed Surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations.
- 11.6.3 It will also be necessary to detail the amount of time spent on the surveillance as this is required to be retained by the Central Register maintained by the Legal Services Team.
- 11.6.4 The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and detail any images etc. that were obtained. The Authorising Officer should then take this into account and issue instructions regarding the management and disposal of the images etc.
- 11.6.5 The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

## **11.7 Retention of records**

- 11.7.1 The Council will comply with the Lord Chancellor's Code of Practice on the management of records issued under section 46 of the Freedom of Information Act 2000. The Council is obliged to meet the legal requirements for the retention and disposal of records in accordance with relevant legislation, particularly the Public Records Act 1958 (PRA 1958), the Freedom of Information Act 2000 (FOIA 2000), the Data Protection Act 2018 (DPA 2018) and the General Data Protection Regulation (GDPR).

## **11.8 Authorising Officers**

- 11.8.1 Officers who are designated “Authorising Officers” may authorise written applications for the use of Directed Surveillance or the use of a CHIS, and non-RIPA surveillance.
- 11.8.2 Please refer to Appendix 1 for the list of Authorising Officers, to show name, departmental details, contact number and levels of Authority.
- 11.8.3 The Executive Director or in their absence the Head of Environment and Public Realm will authorise cases where confidential information is likely to be gathered or in the case of a juvenile or vulnerable CHIS.
- 11.8.4 The Legal, Democratic & Electoral Services Manager should be informed of any changes to the list of Authorising Officers and will amend the policy accordingly. The Council’s SharePoint will also be updated appropriately.

## **11.9 Urgent Oral Authorisations**

- 11.9.1 The provision for urgent oral authorisations is no longer available to local authorities. All RIPA applications now have to be put before a Magistrate for consideration.

## **11.10 Local Sensitivities**

- 11.10.1 Authorising Officers and Applicants should be aware of particular sensitivities in the local community where the Directed Surveillance is taking place, or of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. This should form part of the risk assessment.
- 11.10.2 It should be noted that although this is a requirement there is no provision made within the application form for this information. Therefore, applicants should cover this where they feel it is most appropriate such as, when detailing the investigation or proportionality, or within the separate risk assessment form. However, it must be brought to the attention of the Authorising Officer when deciding whether to authorise the activity.

## **11.11 Authorising Officers Responsibility**

- 11.11.1 Authorising Officers should not be responsible for authorising investigations or operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable. Where an Authorising Officer authorises such an investigation or operation, the Central Record of Authorisations should highlight this and it should be brought to the attention of a Commissioner or Inspector during their next inspection.

- 11.11.2 Authorising Officers must treat each case individually on its merits and satisfy themselves that the authorisation is **necessary**, the surveillance is **proportionate** to what it seeks to achieve, taking into account the **Collateral Intrusion** issues, and that the level of the surveillance is appropriate to achieve the objectives. If any equipment, such as covert cameras, video cameras are to be used the Authorising Officer should know the capability of the equipment before authorising its use. This will have an impact on Collateral Intrusion, necessity and proportionality. They should not rubber-stamp a request. It is important that they consider all the facts to justify their decision. They may be required to justify their actions in a court of law or some other tribunal.
- 11.11.3 Authorising Officers are responsible for determining when reviews of the activity are to take place.
- 11.11.4 Before authorising surveillance, the Authorising Officer should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation (Collateral Intrusion). Measures should be taken, wherever practicable, to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.
- 11.11.5 In the absence of the Head of Department, the application should be submitted to another Authorising Officer for authorisation.

### ***11.12 Necessity and Proportionality***

- 11.12.1 Obtaining a RIPA authorisation will only ensure that there is a justifiable interference with an individual's Article 8 rights if it is necessary and proportionate for these activities to take place. It must be necessary for the prevention and detection of crime with a 6 months sentence or relate to the sale of alcohol and tobacco to children. It must also be shown the reasons why the requested activity is necessary in the circumstances of that particular case. Can the same end result be achieved without the surveillance?
- 11.12.2 If the objectives could be achieved by methods other than covert surveillance, then those methods should be used unless it can be justified why they cannot be used.
- 11.12.3 Then, if the activities are **necessary**, the person granting the authorisation must believe that they are **proportionate** to what is sought to be achieved by carrying them out. This involves balancing the intrusiveness of the activity on the subject and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

- 11.12.4 The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.
- 11.12.5 The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers:
- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
  - explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
  - considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
  - evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.
- 11.12.6 It is important that the staff involved in the surveillance and the Line Manager manage the enquiry and operation and evaluate the need for the activity to continue.

### **11.13 Collateral Intrusion**

- 11.13.1 Collateral Intrusion is an integral part of the decision making process and should be assessed and considered very carefully by both applicants and Authorising Officers.
- 11.13.2 The Codes state that Collateral Intrusion is intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation such as neighbours or other members of the subject's family. Where it is proposed to conduct surveillance activity, specifically against individuals who are not suspected of direct or culpable involvement in the overall matter being investigated, interference with the privacy or property of such individuals should not be considered as Collateral Intrusion but rather as intended intrusion. Any such surveillance activity should be carefully considered against the necessity and proportionality criteria.
- 11.13.3 Intended intrusion could occur if it was necessary to follow a person not committing any offences but by following this person it would lead to the person who is committing the offences.
- 11.13.4 Where such Collateral Intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. The same proportionality tests apply to the likelihood of Collateral Intrusion as to intrusion into the privacy of the intended subject of the surveillance.

- 11.13.5 Prior to and during any authorised RIPA activity, a risk assessment should take place to identify the likely intrusion into the subject and any Collateral Intrusion. Officers should take continuing precautions to minimise the intrusion where possible. The Collateral Intrusion, the reason why it is unavoidable, and the precautions taken to minimise it will have to be detailed on any relevant application forms. This will be considered by the Authorising Officer.
- 11.13.6 Before authorising surveillance, the Authorising Officer should take into account the risk of Collateral Intrusion detailed on the relevant application forms as it has a direct bearing on the decision regarding proportionality.
- 11.13.7 The possibility of Collateral Intrusion does not mean that the authorisation should not be granted, but the Authorising Officer must balance this with the importance of the activity to be carried out in operational terms.

#### ***11.14 Unexpected Interference with Third Parties***

- 11.14.1 When carrying out covert Directed Surveillance or using a CHIS, the Authorising Officer should be informed if the investigation unexpectedly interferes with the privacy of individuals who are not the original subjects of the investigation or covered by the authorisation in some other way. It will be appropriate in some circumstances to submit a review form and in other cases the original authorisation may not be sufficient, and consideration should be given to whether a separate authorisation is required.

#### ***11.15 Confidential Information***

- 11.15.1 Confidential information consists of matters subject to Legal Privilege, confidential personal information or confidential journalistic material. Where there is a likelihood of acquiring such information, it must be authorised by the Chief Executive, or in their absence by their deputy.
- 11.15.2 No authorisation should be given if there is any likelihood of obtaining legally privileged material without consulting the Legal, Democratic & Electoral Services Manager.
- 11.15.3 Confidential personal information is information held in confidence relating to the physical or mental health or spiritual counselling concerning an individual (whether living or dead) who can be identified from it. Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing

legislation. Examples might include consultations between a health professional and a patient, or information from a patient's medical records. Journalistic material is also mentioned in the codes, however, it is highly unlikely that this will be obtained. The definition should it be required can be obtained from the Codes of Practice at Chapter 4.

11.15.4 The following general principles apply to confidential material acquired under authorisations:

- Those handling material from such operations should be alert to anything which may fall within the definition of confidential material. Where there is doubt as to whether the material is confidential, advice should be sought from the Democratic and Legal Manager before further dissemination takes place;
- Confidential material should not be retained or copied unless it is necessary for a specified purpose;
- Confidential material should be disseminated only where an appropriate officer (having sought advice from the Legal, Democratic & Electoral Services Manager) is satisfied that it is necessary for a specific purpose;
- The retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information;
- Confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose.

### **11.16 Documentation and Central Record**

11.16.1 Authorising Officers or Managers of relevant enforcement departments may keep whatever records they see fit to administer and manage the RIPA application process. However, this will not replace the requirements under the Codes of Practice for the Council to hold a centrally held and retrievable record. The original application and relevant approval by the Magistrate will be forwarded to the Legal, Democratic & Electoral Services Manager for filing and to complete the central register (see below).

11.16.2 A centrally retrievable record of all authorisations will be held by the Legal, Democratic & Electoral Services Manager who requires the original application and Magistrates approval etc to be submitted to complete the central register. This will regularly be updated whenever an authorisation is refused, granted, renewed or cancelled. The record will be made available to the relevant Commissioner or an Inspector from the Office of Surveillance Commissioners, upon request. These records should be retained for at least three years from the ending of the



authorisation or for the period stipulated by the Council's document retention policy, whichever is greater, and should contain the following information:

- if refused, that the application was not authorised and a brief explanation of the reason why. The refused application should be retained as part of the Central Record of Authorisation;
- if granted, the type of authorisation and the date the authorisation was given;
- date approved by a magistrate;
- name and rank/grade of the Authorising Officer;
- the unique reference number (URN) of the investigation or operation;
- the title of the investigation or operation, including a brief description and names of subjects, if known;
- frequency and the result of each review of the authorisation;
- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the Authorising Officer;
- whether the investigation or operation is likely to result in obtaining confidential information as defined in this code of practice;
- the date the authorisation was cancelled;
- the date and time when any instruction was given by the Authorising Officer.

11.16.3 As well as the Central Record the Legal, Democratic & Electoral Services Manager will also retain:

- the original of each application, review, renewal and cancellation together with any supplementary documentation of the approval given by the Authorising Officer;
- a record of the period over which the surveillance has taken place.

11.16.4 **For CHIS applications the Codes state;**

In addition, records or copies of the following, as appropriate, should be kept by the relevant authority:

- the original authorisation form together with any supplementary documentation and notification of the approval given by the Authorising Officer;

- the original renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the reason why the person renewing an authorisation considered it necessary to do so;
- any authorisation which was granted or renewed orally (in an urgent case) and the reason why the case was considered urgent;
- any risk assessment made in relation to the source;
- the circumstances in which tasks were given to the source;
- the value of the source to the investigating authority;
- a record of the results of any reviews of the authorisation;
- the reasons, if any, for not renewing an authorisation;
- the reasons for cancelling an authorisation;
- the date and time when any instruction was given by the Authorising Officer to cease using a source.

11.16.5 The Legal, Democratic & Electoral Services Manager will be responsible for maintaining the Central Record of Authorisations and will ensure that all records are held securely with no unauthorised access.

11.16.6 The only persons who will have access to these documents will be the Legal, Democratic & Electoral Services Manager, the Legal Services Team Leader and Authorising Officers.

11.16.7 The records kept by public authorities should be maintained in such a way as to preserve the confidentiality of the source and the information provided by that source. There will, at all times, be a designated person within the Council who will have responsibility for maintaining a record of the use made of the source. The designated officer is the Legal Services Team Leader.

## **12 Use of CCTV**

12.1.1 The use of the CCTV systems operated by the Council do not normally fall under the RIPA regulations as in most cases it is overt (e.g. signs saying that the area is under CCTV surveillance). However, it does fall under the General Data Protection Regulations (GDPR) and the Councils CCTV policy. Should there be a requirement for the CCTV cameras to be used for a specific purpose to conduct

surveillance it is likely that the activity will fall under Directed Surveillance and therefore require an authorisation under RIPA or not under RIPA.

- 12.1.2 On the occasions when the CCTV cameras are to be used in a Directed Surveillance situation either by enforcement officers from relevant departments within the Council or outside law enforcement agencies such as the Police, the partners agencies are to have a copy of the application form in a redacted format, or a copy of the authorisation page. If it is an urgent oral authority a copy of the applicant's notes are to be retained or at least some other document in writing which confirms the authorisation and exactly what has been authorised. It is important that the staff check the authority and only carry out what is authorised. A copy of the application or notes is also to be forwarded to the Legal Services Team Leader for recording in the Central Register. This will assist the Council to evaluate the authorisations and assist with oversight.
- 12.1.3 Operators of the Council's CCTV system, who are and are not Council employees, need to be aware of the RIPA issues associated with using CCTV and that continued, prolonged systematic surveillance of an individual may require an authorisation.

### **13 Joint Agency Surveillance**

- 13.1.1 In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the Police. If it is a joint operation involving both agencies, the lead agency should seek authorisation.
- 13.1.2 Council staff involved with joint agency surveillance are to ensure that all parties taking part are authorised on the authorisation page of the application to carry out the activity. When staff are operating on another organisation's authorisation they are to ensure they see what activity they are authorised to carry out and make a written record. They should also inform the Legal, Democratic & Electoral Services Manager of the unique reference number, the agencies involved and the name of the officer in charge of the surveillance. This will assist with oversight of the use of Council staff carrying out these types of operations.

## **14 Activities Which May Constitute Surveillance or Require Authorisation Outside of RIPA**

### ***14.1 Definition***

- 14.1.1 Some investigative activities may not be easily recognised as constituting surveillance which requires authorisation. Any action that is likely to reveal private information<sup>1</sup> may constitute surveillance if it includes:
- monitoring, observing, listening to persons, their movements, conversations, other activities or communications;
  - recording anything monitored, observed or listened to in the course of surveillance;
  - surveillance, by or with, assistance of a surveillance device.
- 14.1.2 This policy requires RIPA authorisation to be sought in cases where an authorisation can be sought (as per Part 3 of the Policy). Where RIPA authorisation cannot be sought, for instance where an investigation is not into a criminal offence or the offence threshold in Part 3 is not met, the activity should still be authorised as per Part 6 of this policy.

### ***14.2 Social Networks and the Internet***

- 14.2.1 Online open source research is widely regarded as the collection, evaluation and analysis of material from online sources available to the public, whether by payment or otherwise to use as intelligence and evidence.
- 14.2.2 The use of online open source internet and social media research techniques has become a productive method of obtaining information to assist the council with its regulatory and enforcement functions. It can also assist with service delivery issues and debt recovery. However, the use of the internet and social media is constantly evolving and with it the risks associated with these types of enquiries, particularly regarding breaches of privacy under Article 8 Human Rights Act (HRA) and other operational risks. The activity may also require a RIPA authorisation for Directed Surveillance or CHIS. Where this is the case, the application process and the contents of this policy is to be followed.
- 14.2.3 Where the activity falls within the criteria of surveillance or CHIS outside of RIPA, again this will require authorising on a non RIPA form which will be authorised internally.
- 14.2.4 The Home Office Revised Code of Practice on Covert Surveillance and Property Interference, published in August 2018, provides the following guidance in relation to online covert activity and examples below that are relevant to Rugby Borough Council are given:

*The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.*

*The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).*

*In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.*

*As set out below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.*

*Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.*

*Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online.*

**Example:** A Rugby Borough Council officer undertakes a simple internet search on a name, address or telephone number to find out whether a person has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered.

**Example:** A Rugby Borough Council officer makes an initial examination of an individual's online profile to establish whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit.

**Example:** Rugby Borough Council undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown persons of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

### **14.3 Visits and Observing Properties and Vehicles**

- 14.3.1 Surveillance which is overt does not require authorisation. A visit to a property by an RBC officer will not normally constitute surveillance if the intention is to speak to the occupier.
- 14.3.2 In some cases, repeated visits may be made to a property in connection with an investigation without the intention of speaking to the occupier, for example driving past the property to obtain details of vehicles or to look for signs of occupation. Such activity could become surveillance, as per 13.1 above and RIPA or non-RIPA authorisation should be sought if this is the case. This will be the case where the activity is intended to identify a pattern of behaviour, such as the movements of a vehicle at a particular location. A visit to obtain details of a vehicle is unlikely to constitute surveillance. Each case must be treated on its own merits.
- 14.3.3 If an officer plans to conduct a visit such as drive by visits (other than a routine visit to the occupier as per 13.3.1 above) detailed notes must be made explaining the purpose of the visit, why it is necessary and proportionate and why RIPA or non-RIPA authorisation has not been sought.

### **14.4 Aerial covert surveillance**

- 14.4.1 Where surveillance using airborne crafts or devices, for example helicopters or unmanned aircraft (colloquially known as 'drones'), is planned, the same considerations outlined in this policy should be made to determine whether a surveillance authorisation is appropriate. In considering whether the surveillance should be regarded as covert, account should be taken of the reduced visibility of a craft or device at altitude. If these devices are used in a covert and pre-planned manner as part of a specific investigation or operation, for the surveillance of a specific person or group of people, a directed surveillance authorisation should be considered. Such covert surveillance is likely to result in the obtaining of private information about a person (namely, a record of their movements and activities) and therefore falls properly within the definition of directed surveillance.

## **15 Annual Report to Office of Surveillance Commissioners**

- 15.1 The Council is required to provide statistics to the Investigatory Powers Commissioner's Office (IPCO) every year in March for the purposes of Annual Report. The Legal, Democratic & Electoral Services Manager shall be responsible for completing the return and providing the statistics.

## **16 Storage and Retention of Material**

- 16.1 All material obtained and associated with an application will be subject to the provisions of the Criminal Procedures Investigations Act 1996 (CPIA) Codes of Practice which state that relevant material in an investigation has to be recorded and retained and later disclosed to the prosecuting solicitor in certain circumstances. It is also likely that the material obtained as a result of a RIPA application will be classed as personal data for the purposes of the GDPR. All officers involved within this process should make themselves aware of the provisions within this legislation and how it impacts on the whole RIPA process. Material obtained together with relevant associated paperwork should be held securely. Extra care needs to be taken if the application and material relates to a CHIS.
- 16.2 Material is required to be retained under CPIA should be retained until a decision is taken whether to institute proceedings against a person for an offence or if proceedings have been instituted, at least until the accused is acquitted or convicted or the prosecutor decides not to proceed with the case.
- 16.3 Where the accused is convicted, all material which may be relevant must be retained at least until the convicted person is released from custody, or six months from the date of conviction, in all other cases.
- 16.4 If the court imposes a custodial sentence and the convicted person is released from custody earlier than six months from the date of conviction, all material which may be relevant must be retained at least until six months from the date of conviction.

## **17 Training**

- 17.1 There will be an ongoing training programme for Council Officers who will need to be aware of the impact and operating procedures with regards to this legislation. The Legal, Democratic & Electoral Services Manager will be required to retain a list of all those officers who have received training and when the training was delivered, and it is for Departments to consider what their training needs are in this area.
- 17.2 Authorising Officers must have received formal RIPA training before being allowed to consider applications for Directed Surveillance and CHIS.

## **18 Oversight**

### ***18.1 Responsibilities***

- 18.1.1 It is important that all staff involved in the RIPA application process take seriously their responsibilities. Overall oversight within the Council will fall within the responsibilities of the Senior Responsible Officer (SRO) for the Council. However careful management and adherence to this policy and procedures will assist with maintaining oversight and reduce unnecessary errors.



## **18.2 Reporting to Members**

- 18.2.1 Quarterly returns of all surveillance activity undertaken by Council staff will be made to the Council's Audit and Corporate Governance Committee by the Senior Responsible Officer in line with the Constitution. The Audit and Ethics Committee will review the policy annually and amend the policy where necessary.

## **18.3 Scrutiny and Tribunal**

- 18.3.1 RIPA was overseen by the Office of Surveillance Commissioners (OSC). However, from 1 Sept 2017 oversight is now provided by the Investigatory Powers Commissioner's Office (IPCO) which has been set up as an independent inspection regime to monitor Investigatory Powers which relate to covert activity currently under RIPA. They will periodically inspect the records and procedures of the Authority to ensure the appropriate authorisations have been given, reviewed, cancelled, and recorded properly.
- 18.3.2 It is the duty of any person who uses these powers to comply with any request made by a Commissioner to disclose or provide any information he requires for the purpose of enabling him to carry out his functions.
- 18.3.3 A tribunal has been established to consider and determine complaints made under RIPA if it is the appropriate forum. Persons aggrieved by conduct, e.g. Directed Surveillance, can make complaints. The forum hears application on a judicial review basis. Claims should be brought within one year unless it is just and equitable to extend that period.

Complaints can be addressed to the following address:

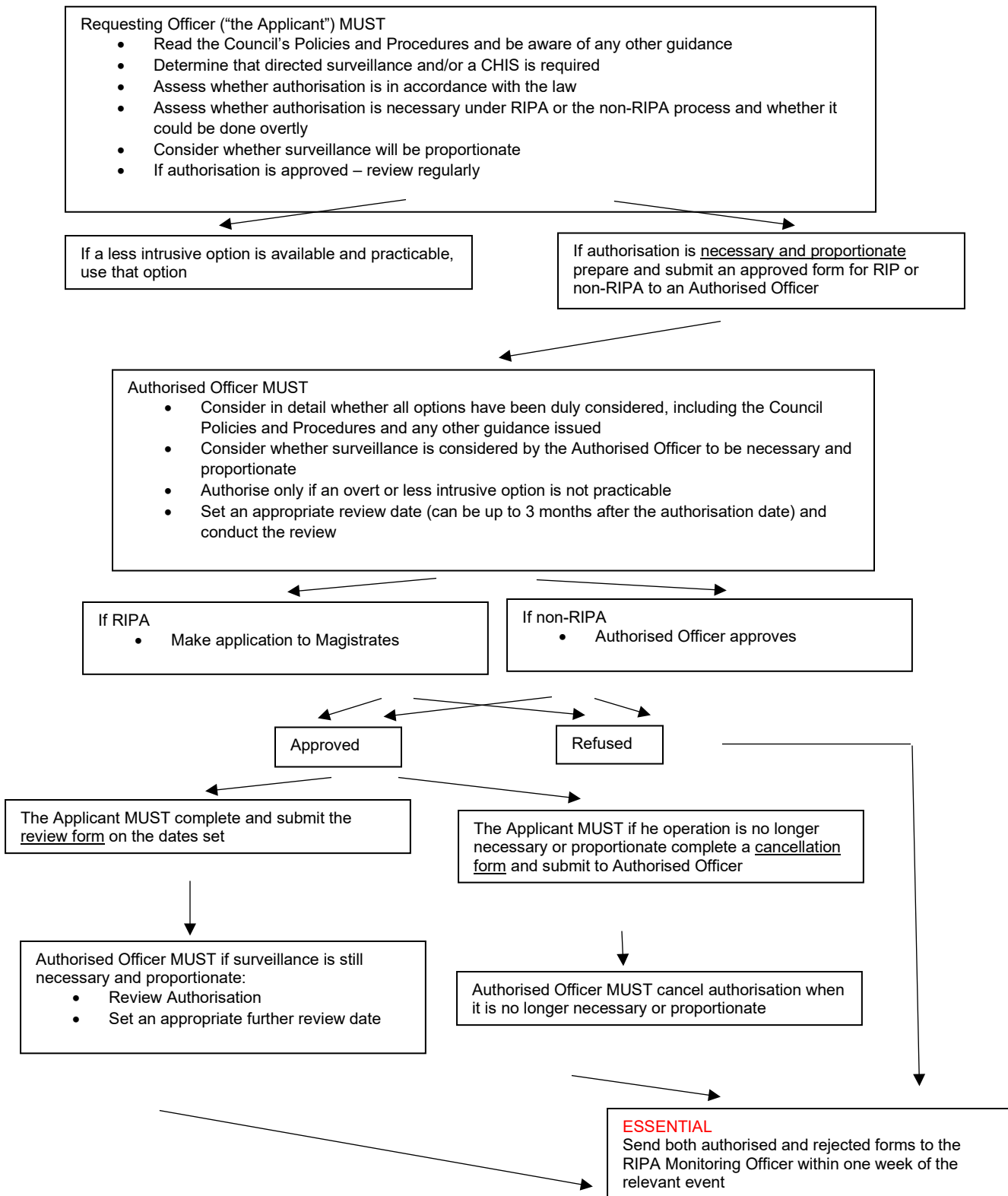
Investigatory Powers Tribunal  
PO Box 33220  
London  
SW1H9ZQ

Tel 0207 035 3711

## **Appendix 1: LIST OF AUTHORISING OFFICERS AND AUTHORISING LEVELS**

<b>Senior Responsible Officer:</b>	Adam Norburn, Executive Director
<b>Deputy Senior Responsible Officer:</b>	Dan Green, Head of Environment and Public Realm
<b>RIPA Monitoring Officer:</b>	Aftab Razzaq, Legal, Democratic and Electoral Services Manager
<b>Deputy RIPA Monitoring Officer:</b>	Sarah Chapman, Legal Services Team Leader
<b>Authorising Officer:</b>	David Burrows, Regulatory Services Manager
<b>Authorising Officer:</b>	David Wortley, Community Advice and Support Team Manager
<b>Authorising Officer:</b>	Richard Holt, Development & Enforcement Manager
<b>Authorising Officer:</b>	Chris Green, Corporate Assurance and Improvement Manager
<b>Authorising Officer:</b>	Suzanne Turner, Human Resources Manager

## Appendix 2: Flow Chart for Directed Surveillance and CHIS



## Agenda No 9

### AGENDA MANAGEMENT SHEET

**Report Title:** Climate Emergency Working Group

**Name of Committee:** Cabinet

**Date of Meeting:** 3 February 2020

**Report Director:** Head of Environment and Public Realm

**Portfolio:** Environment and Public Realm

**Ward Relevance:** All

**Prior Consultation:** Prior consultation has taken place with the Climate Emergency Working Group

**Contact Officer:** Dan Green

**Public or Private:** Public

**Report Subject to Call-In:** Please select

**Report En-Bloc:** No

**Forward Plan:** Yes

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

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

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

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

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

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

Ensure that the council works efficiently and effectively (CR)

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

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

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

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

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

Protect the public (EPR)

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

**Statutory/Policy Background:**

**Summary:**

On 18 July 2019, Rugby Borough Council declared a Climate Emergency, and in doing so committed to establish a cross party working group to advise on the actions and timescales required to make the Council's activities carbon neutral by 2030. The working group were requested to report initial findings and recommendations back to Cabinet within 6 months. This report presents the initial findings of the Climate Emergency Working Group

**Financial Implications:**

The report provides detail on budget requirements to support the deliver of the Council's objectives.

It needs to be noted that using balances previously earmarked for the business rates equalisation reserve will reduce of the level of funds available for the mitigation of any pressures rising from the business rates reset in 2020/21.

**Risk Management Implications:**

**Environmental Implications:**

The report outlines the direction of the council's response to climate emergency declaration. The actions taken will impact on a variety of environmental factors, including air quality, carbon footprint and future adaptation requirements.

**Legal Implications:**

None arising directly from this report

**Equality and Diversity:**

None arising directly from this report

**Options:**

This report provides Cabinet with an update of the findings of the working party. The recommendations contained are in accordance with the findings of this party. The Cabinet is able to approve or reject the recommendations contained within this report.

**Recommendation:**

**IT BE RECOMMENDED TO COUNCIL THAT:**

1. in response to declaring a climate emergency, the Council adopts the following aims:
  - 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.
2. in relation to Carbon neutrality, the Council's work initially focusses on scopes 1 and 2, with further work commissioned to understand how the Council can deliver positive change in relation to Scope 3;
3. to achieve the above aims, work be taken forward through the six workstreams described in part 4 of the report;
4. to drive work in relation to the Climate Emergency, a long term working group be established;
5. specialist advice relating to a) Baselineing the Council's CO2 footprint and b) the production of a Carbon Neutral Strategy and Delivery Plan be procured;
6. a communications and engagement plan be produced, including an initial survey/questionnaire which will seek to engage residents in the Climate Emergency and gain feedback on resident priorities;
7. a Climate Emergency Response Reserve of £0.5m be created as part of the budget setting process, to be met from retained business rates growth in 2020/21, to support the initial work required as detailed in the report and commence delivery of the forthcoming action plan.

**Reasons for Recommendation:** The recommendations are in accordance with the Council's declaration of a climate emergency on the 18<sup>th</sup> July 2019

**Cabinet - 3 February 2020**

**Climate Emergency Working Group**

**Public Report of the Head of Environment and Public Realm**

**Recommendation:**

IT BE RECOMMENDED TO COUNCIL THAT:

1. In response to declaring a climate emergency, the Council adopts the following aims:
  - 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;
2. in relation to Carbon neutrality, the Council's work initially focusses on scopes 1 and 2, with further work commissioned to understand how the Council can deliver positive change in relation to Scope 3;
3. to achieve the above aims, work is taken forward through the six workstreams described in part 4 of the report;
4. to drive work in relation to the Climate Emergency, a long term working group be established;
5. specialist advice relating to a) Baselineing the Council's CO2 footprint and b) the production of a Carbon Neutral Strategy and Delivery Plan be procured;
6. a communications and engagement plan be produced, including an initial survey/ questionnaire which will seek to engage residents in the Climate Emergency and gain feedback on resident priorities; and
7. a Climate Emergency Response Reserve of £0.5m be created as part of the budget setting process, to be met from retained business rates growth in 2020/21, to support the initial work required as detailed in the report and commence delivery of the forthcoming action plan.



## **1. BACKGROUND**

- 1.1 Since late 2018, approximately 270 local authorities across the country have declared a 'Climate Emergency'. Central to the majority of the declarations, has been a commitment by the local authorities to reduce carbon emissions
- 1.2 On 18 July 2019, Rugby Borough Council declared a Climate Emergency, and in doing so committed to:
  - Establishing a cross party working group to advise on the actions and timescales required to make the Council's activities carbon neutral by 2030. The working group was asked to report initial findings and recommendations back to Cabinet within 6 months;
  - Engaging with partner councils (specifically Warwickshire County Council and Warwickshire's 5 District and Borough Councils), local businesses, environmental groups and residents to inform our future actions;
  - Where required, calling on Government to provide the powers and resources to enable Rugby Borough Council to help deliver the UK's carbon reduction targets.

## **2. RUGBY BOROUGH COUNCIL CROSS PARTY WORKING GROUP**

- 2.1 Since the declaration on 18 July 2019, a cross party working group consisting of Councillors Roberts, Mrs Brown, McQueen, Picker, Brader, Mrs Crane and Roodhouse has been established.
- 2.2 The Working Group has met on several occasions and has, outside of formal meetings, undertaken in depth research into the subject. This has included information from external organisations, including the Local Government Association (LGA), Friends of the Earth, the Association for Public Service Excellence (APSE), Ashden, ARUP and Resilience.
- 2.3 The Working Group has also researched approaches and methodologies being adopted by other Councils and has sought to learn from best practice.
- 2.4 From the initial meeting of the Working Group, it has been clear that the six-month period would be insufficient to fully define the future work required to meet the objectives of the declaration and as such, the group have focussed on recommending the initial works required to progress the agenda. Given this, it is recommended that a long term / permanent working group is established.

## **3. DEFINITIONS AND SCOPE OF WORK**

- 3.1 In undertaking its work, the following definitions have been adopted by the Working Group:
  - Carbon Footprint – the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular individual, organisation, or community

- Carbon Net Zero / Carbon Neutral - The equivalent of a net result of zero emissions. This can be achieved by balancing carbon emissions with carbon removal (often through Carbon Offsetting) or simply eliminating carbon emissions altogether
- Carbon Offset - a reduction in emissions of carbon dioxide made in order to compensate for emissions made elsewhere. Offsets are measured in tonnes of carbon dioxide-equivalent (CO<sub>2</sub>e). One tonne of carbon offset represents the reduction of one tonne of carbon dioxide or its equivalent in other greenhouse gases.
- Adaptation - anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage they can cause or taking advantage of opportunities that may arise.

3.2 Background Carbon Emissions are broken down into three categories by the Greenhouse Gas Protocol, in order to better understand the source. These are commonly defined as:

Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.

Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

3.3 The Working Group recommend that Rugby Borough Council's work initially focusses on Scopes 1 & 2, with further work commissioned at a later stage to understand how the Council can deliver positive change in relation to Scope 3.

#### **4. WORK PROGRAMME RELATING TO THE CLIMATE EMERGENCY**

4.1 Through the declaration of a Climate Emergency, the working group recommends that the Council adopts the following aims:

- To move the Council's operations towards Carbon Neutrality by 2030 (relative to scopes 1 and 2).
- To investigate opportunities, and where appropriate develop initiatives, relative to scope 3.
- 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.

4.2 Initially, the Working Group recommends that work is taken forward through the following six workstreams:

a) Defining and Understanding the Council's Carbon Footprint.

- The initial focus of this work should be scopes one and two, with the immediate task being to baseline the Council's current Carbon Footprint with respect to those scopes.
- Following the baselining, the Council should produce a Carbon Neutral Strategy, with supporting Delivery Plan. This should include details of targets, milestones and monitoring arrangements.
- An external specialist should be engaged to support this activity.
- At a later date, further work should be commissioned or delivered to understand the Council's Carbon Footprint relating to scope 3 and to understand opportunities arising from the information produced.

b) Operational Activities

- A full appraisal of areas within the Council's estate and operational activities which can be influenced or altered in the interests of reducing, or mitigating the impacts of, climate change should be undertaken.
- This work should begin with the services which have the largest Carbon Footprint (from the baselining data).
- This should include reviewing procurement arrangements to ensure that they are supportive of the Council's climate change / sustainability ambitions.
- Whilst offsetting should be considered, priority should be given to reducing Carbon emissions.

c) Community Leadership

- Detailed analysis should be undertaken, to understand and define how the Council can support Climate Change reduction and mitigation in the wider Borough (i.e. beyond Council operations), including an understanding of the Carbon Footprint across the Borough.
- This should include the Council's work with partners, businesses and residents to understand how outcomes can be maximised by working together.
- This should include how the Council can help to promote community action to reduce carbon emissions in the area and how the Council can work with individual households to promote greater energy efficiency.
- This should include further clarity and guidance on the Community Leadership role which local Councillors can play.

d) The Green Economy

- The Council should take steps to identify and maximise the full range of opportunities which exist to promote the Green Economy within the Borough.
- This should include services (including commercial services) which are, or could in the future be, delivered by the Council.

- This should include how the Council can promote the Borough as a location for the establishment of private sector sustainable/ green businesses.

e) Central Government

- The Council should recognise and maximise its role in making representation to central government in the interests of reducing, or mitigating the impacts of, Climate Change. This should include joint representation at a county and regional level as well as through national bodies such as the LGA.
- There should be a clear definition of how and when the Council should make such representations.
- There should be consideration of financial constraints, devolved powers, specific regulations and challenges with implementation.

f) Adaptation

- The Council should identify and implement measures in response to actual or anticipated climate change.
- This should include how Council services should prepare for and react to more adverse weather conditions.
- This should include how Council Policies should change to reflect the likely impacts of Climate Change.
- The Council should Identify how it will support residents and businesses in preparing for Climate Change, including more adverse weather conditions.

4.3 In order to progress the workstreams, A specification for procuring specialist advice relating to a) Baselining the Council's CO2 footprint and b) the production of a Carbon Neutral Strategy and Delivery Plan should be produced. A draft specification is included as appendix A.

4.4 To support the initial work relating to the Climate Emergency, the Working Group recommends that a Climate Emergency Response Reserve be created, commencing with a £0.5m transfer from retained business rates growth in 2020/21 and be included as part of the budget setting process for the forthcoming year.(whilst recognising that the entire amount may not be spent in 2020/21).

4.5 It is recommended that an element of this reserve is initially utilised to commission the specialist advice referenced at 4.3.

4.6 Subsequent expenditure against this reserve will be subject to detailed business cases which directly relate to the delivery plan.

4.7 A further report will be brought to Cabinet detailing the delivery plan and recommendations for allocations from the reserve.

## **5. PUBLIC AND PARTNER ENGAGEMENT**

- 5.1 The Working Group recommend that public engagement is undertaken as appropriate throughout the Council's work in relation to the Climate Emergency.
- 5.2 A communications and engagement plan should be produced, including an initial survey/ questionnaire which will seek to engage residents in the Climate Emergency and gain feedback on resident priorities.
- 5.3 Locally, Warwickshire County Council, Warwick District Council, Nuneaton and Bedworth Borough Council and Stratford on Avon District Council have declared Climate Emergencies. In addition, the West Midlands Combined Authority have declared a Climate Emergency. The Council should continue to work in close partnership with these organisations in responding to the Climate Emergency. In addition to these local partners, the Council should continue to seek to develop relationships and learn from examples of best practice both nationally and internationally.

## **6. CONSTRAINTS**

In responding to the Climate Emergency, the Council should recognise the constraints which could limit the progress of work. These include:

- Capacity. There is no dedicated officer resource to support the Council's response to the Climate Emergency.
- Expertise. Much of the work relating to the Climate Emergency will require specialist expertise which does not currently exist within the Council's workforce.
- Ability to Influence. Given the global nature of the issue, there are a significant number of factors (e.g. global energy policy) which will be outside the scope of the work.
- Finance. There will need to be a long term and ongoing financial commitment if the Council's work in response to the Climate Emergency is to be effective.

**Name of Meeting:** Cabinet  
**Date of Meeting:** 3 February 2020  
**Subject Matter:** Climate Emergency

**Originating Department:** Environment and Public Realm

**DO ANY BACKGROUND PAPERS APPLY**       YES       NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

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

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

## CARBON MANAGEMENT SCHEME OF WORK

On 18 July 2019, Rugby Borough Council declared a Climate Emergency, and in doing so committed to considering actions and timescales needed to move towards carbon neutrality by 2030.

To support this work, there are two initial tasks for which the Council would like to procure specialist advice. These are:

- a. Baselineing the Council's Carbon emissions
- b. Strategy and Delivery Plan

This work relates to Scopes 1 and 2, as defined by the Greenhouse Gas Protocol:

Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.

ACTION	REQUIREMENTS	
BASELINING CO2 EMISSIONS	<ul style="list-style-type: none"> <li>• Establish a baseline for the Council's CO2 emissions, across scopes 1 &amp; 2</li> <li>• Establish biggest contributors to the Council's CO2 emissions</li> <li>• Evaluate the effectiveness / benefit of works previously undertaken by the Council.</li> </ul>	
STRATEGY AND DELIVERY PLAN	<ul style="list-style-type: none"> <li>• Provide advice on, and deliver, a Carbon Neutral Strategy with associated Delivery Plan. This should include:               <ul style="list-style-type: none"> <li>➤ Actions required for the Council to become carbon neutral, including mitigation/ offsetting where appropriate.</li> <li>➤ Resources required to become carbon neutral and the anticipated associated costs.</li> <li>➤ Asset review, including an assessment of Council owned assets and the opportunities to utilise these assets in support of the Council becoming carbon neutral</li> <li>➤ New policies/ policy changes required to support the Council towards carbon neutrality.</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>➤ Provide advice on renewable sources and their likely impacts/costs, including district heating, solar schemes etc.</li> <li>➤ Review energy efficiency work undertaken to date and provide advice on future initiatives to progress efficiency.</li> <li>➤ Provide advice on sustainability standards for new homes built by the council.</li> <li>➤ Training needs for staff and elected councillors.</li> <li>➤ Reporting requirements, including advice on new Greenhouse Gas emission report.</li> <li>➤ Relevant funding opportunities and advice on how to access them</li> <li>➤ ECO3 Relating to Social Housing and impact/reduction.</li> </ul>	
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**AGENDA MANAGEMENT SHEET**

**Report Title:** Approval of National Non-Domestic Rates Return – NNDR1 2020/21

**Name of Committee:** Cabinet

**Date of Meeting:** 3 February 2020

**Report Director:** Head of Corporate Resources and CFO

**Portfolio:** Corporate Resources

**Ward Relevance:** All Wards

**Prior Consultation:** No

**Contact Officer:** Mannie Ketley

**Public or Private:** Public

**Report Subject to Call-In:** Yes

**Report En-Bloc:** Yes

**Forward Plan:** Yes

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

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

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

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

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

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

Ensure that the council works efficiently and effectively (CR)

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

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

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

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

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

Protect the public (EPR)

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

<b>Statutory/Policy Background:</b>	Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) (as amended)
<b>Summary:</b>	The NNDR1 form calculates the NNDR income for 2020/21 and estimates the surplus or deficit on the collection fund for 2019/20 to be included in the 2020/21 budget.
<b>Financial Implications:</b>	As detailed in the main report.
<b>Risk Management Implications:</b>	The Council has a statutory duty to submit the NNDR1 to the Secretary of State and the major precepting authorities by Friday 31 January 2020.
<b>Environmental Implications:</b>	There are no Environmental implications arising from this report.
<b>Legal Implications:</b>	This report seeks to discharge the Council's statutory obligations in accordance with the Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) (as amended).
<b>Equality and Diversity:</b>	The Council has had due regard to its Public Sector Equality Duty, as set out in the Equality Act 2010.
<b>Options:</b>	The NNDR1 is being approved retrospectively and there are no options available.
<b>Recommendation:</b>	The National Non-Domestic Rates Return – NNDR1 2020/21, as at Appendix 1 to the report, be approved.
<b>Reasons for Recommendation:</b>	The Council has a statutory duty to submit the NNDR1 to the Secretary of State and the major precepting authorities by Friday 31 <sup>st</sup> January 2020.

**Cabinet - 3 February 2020**

**Approval of National Non-Domestic Rates Return – NNDR1 2020/21**

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

**Recommendation**

The National Non-Domestic Rates Return – NNDR1 2020/21, as at Appendix 1 to the report, be approved.

**1. Introduction**

Under the business rates retention scheme a proportion of the Non-Domestic Rates collected by Rugby Borough Council in its capacity as the billing authority are retained locally and shared with Warwickshire County Council (WCC), as the major precepting authority, and central government.

The Non-Domestic Rating (Rates Retention) Regulations 2013 requires a billing authority, before the beginning of a financial year, to forecast the amount of business rates that it will collect during the year.

The NNDR1 form provides a tool to enable authorities to do this.

**2. Background**

In a similar manner to the setting of the Council Tax, the NNDR1 form facilitates the calculation of the local business tax base and the net business rates collectable for the forthcoming year with any variation between the forecast and actual being dealt with through the surplus/deficit on the Collection Fund in the following year.

Therefore, under the rates retention scheme the importance of the NNDR1 form is significantly increased, as this form effectively sets the Council's business rates base and corresponding income budget for 2020/21.

The secondary role of the form is to estimate the actual business rates collectable for the current financial year and compare this to the original forecast, as submitted in the 2019/20 NNDR1. The difference between original forecast and estimated 2019/20 business rates collectable is dealt with through the Collection Fund and any surplus or deficit is shared between central government and WCC and accounted for in the 2020/21 budget.

The NNDR1 return is required to follow the same formal approval process as that of the Council Tax Base. Within the Council's Constitution the approval of the Council Tax Base is delegated to Cabinet and therefore the NNDR1 return also requires Cabinet approval.

The NNDR1 needs to be completed and sent to both the Secretary of State and Warwickshire County Council by Friday 31 January 2020. By agreement with DCLG this deadline has been extended to accommodate the completion of the NNDR1 form and Cabinet's subsequent approval within the constraints of the form's requirements and also the Council's committee timetable.

### **3. NNDR1 2020/21 (Appendix 1)**

As set out above, the primary function of the NNDR1 form is to provide authorities with the forecasts they (and the major precepting authorities) need to complete the budget process. It is also designed to determine the payments that need to be made to central government and major precepting authorities during the year, and the transfer that billing authorities make to their General Fund.

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

#### **3.1. Part 1**

Part 1 provides a summary of the numbers needed by authorities for the in-year operation of the rates retention scheme. In all but a small number of cases, it comprises either pre-filled cells or information cells which are derived from data entries in Parts 2 to 4 of the form.

#### **3.2. Part 2**

Part 2 requires authorities to complete data cells for gross rates payable and the impact of reliefs, which lead to the calculation of a figure for "net rates payable".

#### **3.3. Part 3**

This part of the form requires authorities to arrive at estimated losses for bad debt and appeals. This is an area that is subject to a fair degree of assumption and estimation, as explained at section 5 below.

#### **3.4. Part 4**

This part of the form requires authorities to calculate the estimated surplus, or deficit on the Collection Fund as at 31 March 2020. The surplus/deficit will be shared between Rugby Borough Council, Central Government and WCC, by adjusting each party's share of the 2020/21 non-domestic rating income.

The estimate at Part 4 is based on actual figures from the Civica Revenues system as at 31 December 2020, forecast to year-end. This is adjusted for any change in provisions that the authority anticipates making in the 2019/20 accounts in respect of repayments made to business rate payers during the year.

Part 4 shows that that estimated deficit for 2019/20 is **£1.834m**. This is transferred to Part 1 Line 28, where it is shared between the parties to the scheme. Rugby Borough Council's share is **£0.734m**.

#### 4. Amounts Retained and Budgetary Impact

The NNDR1 estimates that the Council will retain **£20.711m** of business rates in 2020/21. The table below shows that after taking account of all the elements of the Business Rates Retention Scheme the net retained business rates income is **£6.318m**.

The **£0.734m** estimated collection fund deficit will be offset against a transfer from the Business Rates Equalisation Reserve. This is incorporated in the Draft General Fund Revenue & Capital Budget 2020/21 report presented elsewhere on this Cabinet agenda.

Business Rates Retention	2020/21 £m
Retained share of NNDR1 Income	(20.711)
Tariff Payment	13.295
Levy Payment	3.211
Levy Account Surplus	(0.056)
s31 grant income	(1.722)
Cost of Collection Allowance	(0.134)
Coventry & Warwickshire Business Rates Pool dividend	(0.200)
<b>Net Retained Rates Income</b>	<b>(6.318)</b>
Estimated Collection Fund Deficit at end of 2019/20	0.734
Contribution from Business Rates Equalisation Reserve	(0.734)
<b>Net Income</b>	<b>(6.318)</b>

#### 5. Assumptions

The majority of content of the NNDR1 is comprised of objective data that is captured at a particular point in time, however there are some areas, such as appeals and business rates growth that are subject to a significant degree of assumption and estimation. The following section sets out the key areas of assumptions and estimation that have been made in completing the draft NNDR1 return.

The starting point for the NNDR1 is estimating the gross rates payable. This is the estimated amount that would be payable by ratepayers in absence of any reliefs.

The first step is to enter the total rateable value in the authority's local rating list. The Council has taken account of the latest version of valuations produced by the VOA as at 13 January 2020.

The estimate of gross rates payable is adjusted to reflect local intelligence and how the list (and rates income) is expected to change throughout the course of 2020/21. The authority's estimated growth for 2020/21 has been calculated in co-ordination with Revenues and the Planning Department in respect of business growth at key sites in the Borough. The forecast is based on assumptions in respect of planning permission, completion and occupation of development in Rugby and Ansty Park.

The impact of reliefs is then provided for, which leads to the calculation of a figure for net rates payable. This is completed from data extracted from the Civica Revenues System; the Civica report provides for all reliefs awarded at this point in time.

Net rates payable then has to be adjusted for losses on collection and losses on appeal.

The losses on collection are:

1. An estimate of how much of the net rates payable for 2020/21 is expected to be written off as a bad debt during 2020/21 or subsequent years.
2. An estimate of how much of the net rates payable in respect of 2020/21 liability would have to be repaid to ratepayers as a result of reductions in Rateable Values following successful appeals or alterations to lists.

In 2017/18, MHCLG set a revised multiplier which took into account an estimate of national appeals losses (4.7%) in respect of the new 2017 rating list. This was to anticipate future appeals and had the effect of increasing the multiplier and so in effect we over-collect in the early years of the rating list and then under-collect in later years as the appeals start to come through with retrospective effect. In line with MHCLG assumptions, a factor of 4.7% on gross rates has been used to estimate the level of future appeals in respect of 2020/21.

The Council has already included a provision in the 2018/19 accounts in respect of such repayments that might have to be made in respect of years before 2017/18. This provision will need to be adjusted in the 2019/20 accounts to reflect repayments made during the year and any view on new and outstanding liabilities. Changes to provisions are therefore made in the estimated surplus/deficit calculation in Part 4 of the NNDR1.

## **6. Conclusion**

The NNDR1 return, as presented at Appendix 1, effectively sets the Council's Retained Business Rates income budget for 2020/21. This is largely based on objective data, but a number of areas are subject to degree of subjectivity as set out at section 5. The budgetary implications of approval of the NNDR1 are incorporated and expanded upon further within the Draft General Fund Revenue & Capital Budget report included elsewhere on this Cabinet agenda.

**Name of Meeting:** Cabinet

**Date of Meeting:** 3 February 2020

**Subject Matter:** Approval of National Non-Domestic Rates Return –  
NDR1 2020/21

**Originating Department:** Corporate Resources

**DO ANY BACKGROUND PAPERS APPLY**       YES       NO

**LIST OF BACKGROUND PAPERS**

Doc No	Title of Document and Hyperlink

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

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Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2020-21**

Please e-mail to: [ndr.statistics@communities.gov.uk](mailto:ndr.statistics@communities.gov.uk) by no later than 31 January 2020.  
In addition, a certified copy of the form should be returned by no later than **31 January 2020** to the same email address

**All figures must be entered in whole £**

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

Select your local authority's name from this list:

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

Authority Name	Rugby
E-code	E3733
Local authority contact name	Chryssa Burdett
Local authority contact number	01788 533495
Local authority e-mail address	<a href="mailto:chryssa.burdett@rugby.gov.uk">chryssa.burdett@rugby.gov.uk</a>

Ver 1.1

**PART 1A: NON-DOMESTIC RATING INCOME**

**COLLECTIBLE RATES**

£

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

52,109,862
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**TRANSITIONAL PROTECTION PAYMENTS**

2. Sums due to the authority

0
---

3. Sums due from the authority

198,085
---------

**COST OF COLLECTION (See Note A)**

4. Cost of collection formula

134,284
---------

5. Legal costs

0
---

6. Allowance for cost of collection

134,284
---------

**SPECIAL AUTHORITY DEDUCTIONS**

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

0
---

**DISREGARDED AMOUNTS**

8. Amounts retained in respect of Designated Areas

0
---

9. Amounts retained in respect of Renewable Energy Schemes (see Note B)

0
---

of which:

10. sums retained by billing authority

0
---

11. sums retained by major precepting authority

0
---

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

0
---

**NON-DOMESTIC RATING INCOME**

13. Line 1 plus line 2, minus lines 3, 6 - 9 and 12

51,777,493
------------



**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**

**2020-21**

Please e-mail to: [nndr.statistics@communities.gov.uk](mailto:nndr.statistics@communities.gov.uk) by no later than 31 January 2020.  
In addition, a certified copy of the form should be returned by no later than **31 January 2020** to the same email address

**All figures must be entered in whole £**

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

Local Authority : Rugby

Ver 1.1

**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 **2020-21** 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
<b>Retained NNDR shares</b>	£	£	£	£	£
14. % of non-domestic rating income to be allocated to each authority in 2020-21	50%	40%	10%	0%	100%
<b>Non-Domestic Rating Income for 2020-21</b>					
15. Non-domestic rating income from rates retention scheme	25,888,747	20,710,997	5,177,749	0	51,777,493
16.(less) deductions from central share	0	0	0	0	0
17 <b>TOTAL:</b>	25,888,747	20,710,997	5,177,749	0	51,777,493
<b>Other Income for 2020-21</b>					
18. add: cost of collection allowance		134,284			134,284
19. add: amounts retained in respect of Designated Areas		0			0
20. add: amounts retained in respect of renewable energy schemes		0	0		0
21. add: amounts retained in respect of Shale oil and gas sites schemes		0	0	0	0
22. add: qualifying relief in Designated Areas		0	0	0	0
23. add: City of London Offset		0			0
24. add: additional growth retained in Additional Growth Pilots		0	0	0	0
25. add: in respect of Port of Bristol hereditament		0			0
<b>Estimated Surplus/Deficit on Collection Fund</b>	£	£	£	£	£
<u>Percentages to be used to distribute the collection fund surplus deficit</u>					
26. % for distribution of "in-year" surplus/deficit (ie 2019-20)	50%	40%	10%	0%	100%
26a. "In-year" surplus (positive) /deficit (negative)	-564,702	-451,761	-112,940	0	-1,129,403
27. % for distribution of "prior-year" surplus/deficit (ie 2018-19)	50%	40%	10%	0%	100%
27a. "Prior-year" surplus (positive) / deficit (negative)	-352,746	-282,196	-70,549	0	-705,491
28. Estimated Surplus/Deficit at end of 2019-20	-917,447	-733,958	-183,489	0	-1,834,894
<b>TOTAL FOR THE YEAR</b>					
29. Total amount due to authorities	24,971,300	20,111,323	4,994,260	0	50,076,883

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**

**2020-21**

Please e-mail to: [ndr.statistics@communities.gov.uk](mailto:ndr.statistics@communities.gov.uk) by no later than 31 January 2020.  
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**All figures must be entered in whole £**

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

Local Authority : Rugby

Ver 1.1

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

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

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

	Column 2 Rugby	Column 3 Warwickshire County Council	Column 4	Column 5 Total
	£	£	£	£
<b>Multiplier Cap</b>				
30. Cost of cap on 2014-15, 2015-16 and post-2018-19 small business rates multipliers	830,100	207,525	0	1,037,625
<b>Small Business Rate Relief</b>				
31. Cost of doubling SBRR & threshold changes for 2020-21	1,023,418	255,854	0	1,279,272
31a. Additional compensation for loss of supplementary multiplier income	81,373	20,343	0	101,716
32. Cost to authorities of maintaining relief on "first" property	0	0	0	0
<b>Rural Rate Relief</b>				
33. Cost to authorities of providing 100% rural rate relief	3,310	827	0	4,137
<b>Supporting Small Businesses Relief</b>				
34. Cost to authorities of providing relief	10,194	2,549	0	12,743
<b>Discretionary Scheme</b>				
35. Cost to authorities of providing relief	3,307	827	0	4,134
<b>Designated Areas qualifying relief in 100% pilot areas</b>				
36. Cost to authorities of providing relief	0	0	0	0
<b>Telecoms Relief</b>				
37. Cost to authorities of providing relief	0	0	0	0
<b>Retail discount</b>				
38. Cost to authorities of providing relief	302,966	75,741	0	378,707
<b>TOTAL FOR THE YEAR</b>				
39. Amount of Section 31 grant due to authorities to compensate for reliefs	2,254,668	563,666	0	2,818,334

**NB** To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 39, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 39)

Certificate of Chief Financial Officer / Section 151 Officer

NDR1 2020-21

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

Name of Chief Financial Officer  
or Section 151 Officer : .....

Signature : .....

Date : .....

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2020-21**

All figures must be entered in whole £

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

Ver 1.1

**Local Authority : Rugby**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

**GROSS RATES PAYABLE**

(All data should be entered as +ve unless specified otherwise) - see Note E

	Column 1 BA Area (exc. Designated areas) <b>Complete this column</b>	Column 2 Designated areas <b>Do not complete this column</b>	Column 3 <b>TOTAL</b> (All BA Area) <b>Do not complete this column</b>
	£	£	£
1. Rateable Value at <input type="text" value="13/01/2020"/>	127,177,386	0	127,177,386
2. Small business rating multiplier for 2020-21 (pence) <input type="text" value="49.9"/>			
3. Gross rates 2020-21 (RV x multiplier)	63,461,516	0	
4. Estimated growth/decline in gross rates (+ = increase, - = decrease)	609,215	0	
5. Forecast gross rates payable in 2020-21	64,070,731	0	64,070,731
<b>TRANSITIONAL ARRANGEMENTS (See Note F)</b>			
6. Revenue foregone because increases in rates have been deferred (Show as -ve)	-156,513	0	-156,513
7. Additional income received because reductions in rates have been deferred (Show as +ve)	354,598	0	354,598
8. Net cost of transitional arrangements	198,085	0	
9. Changes as a result of estimated growth / decline in cost of transitional arrangements (+ = decline, - = increase)	0	0	
10. Forecast net cost of transitional arrangements	198,085	0	198,085
<b>TRANSITIONAL PROTECTION PAYMENTS (See Note F(a))</b>			
11. Sum due to/(from) authority	-198,085	0	-198,085

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2020-21**

All figures must be entered in whole £

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Ver 1.1

**Local Authority : Rugby**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>MANDATORY RELIEFS (See Note G) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Small Business Rate Relief</b>			
12. Forecast of relief to be provided in 2020-21	-3,514,212	0	-3,514,212
13. of which: relief on existing properties where a 2nd property is occupied	0	0	0
14. Additional yield from the small business supplement (Show as +ve)	1,314,451	0	1,314,451
15. Net cost of small business rate relief (line 12 + line 14)	-2,199,761	0	-2,199,761
<b>Charitable occupation</b>			
16. Forecast of relief to be provided in 2020-21	-3,371,113	0	-3,371,113
<b>Community Amateur Sports Clubs (CASCs)</b>			
17. Forecast of relief to be provided in 2020-21	-75,817	0	-75,817
<b>Rural rate relief</b>			
18. Forecast of relief to be provided in 2020-21	-7,955	0	-7,955
<b>Telecoms Relief (see Note L)</b>			
19. Forecast of relief to be provided in 2020-21	0	0	0
20. Forecast of mandatory reliefs to be provided in 2020-21 (Sum of lines 15 to 19)	-5,654,646	0	-5,654,646
21. Changes as a result of estimated growth/decline in mandatory relief (+ = decline, - = increase)	0	0	0
<b>22. Total forecast mandatory reliefs to be provided in 2020-21</b>	<b>-5,654,646</b>	<b>0</b>	<b>-5,654,646</b>
<b>UNOCCUPIED PROPERTY (See Note H) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Partially occupied hereditaments</b>			
23. Forecast of 'relief' to be provided in 2020-21	-200,000	0	-200,000
<b>Empty premises</b>			
24. Forecast of 'relief' to be provided in 2020-21	-1,244,266	0	-1,244,266
25. Forecast of unoccupied property 'relief' to be provided in 2020-21 (Line 23 + line 24)	-1,444,266	0	-1,444,266
26. Changes as a result of estimated	0	0	0

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**

**2020-21**

All figures must be entered in whole £

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Ver 1.1

**Local Authority : Rugby**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
growth/decline in unoccupied property 'relief' (+ = decline, - = increase)			
27. Total forecast unoccupied property 'relief' to be provided in 2020-21	-1,444,266	0	-1,444,266

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2020-21**

All figures must be entered in whole £

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Ver 1.1

**Local Authority : Rugby**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>DISCRETIONARY RELIEFS (See Note J) (All data should be entered as -ve unless specified otherwise)</b>			
<b>Charitable occupation</b>			
28. Forecast of relief to be provided in 2020-21	-110,227	0	-110,227
<b>Non-profit making bodies</b>			
29. Forecast of relief to be provided in 2020-21	-7,485	0	-7,485
<b>Community Amateur Sports Clubs (CASCs)</b>			
30. Forecast of relief to be provided in 2020-21	0	0	0
<b>Rural shops etc</b>			
31. Forecast of relief to be provided in 2020-21	0	0	0
<b>Small rural businesses</b>			
32. Forecast of relief to be provided in 2020-21	0	0	0
<b>Other ratepayers (refer to guidance for further details)</b>			
33. Forecast of relief to be provided in 2020-21	0	0	0
	<i>of which:</i>	<i>of which:</i>	
34. Relief given to Case A hereditaments		0	
35. Relief given to Case B hereditaments	0		
36. Forecast of discretionary relief to be provided in 2020-21 (Sum of lines 28 to 33)	-117,712	0	-117,712
37. Changes as a result of estimated growth/decline in discretionary relief (+ = decline, - = increase)	0	0	
<b>38. Total forecast discretionary relief to be provided in 2020-21</b>	<b>-117,712</b>	<b>0</b>	<b>-117,712</b>

**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2020-21**

All figures must be entered in whole £

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

Ver 1.1

**Local Authority : Rugby**

**PART 2: NET RATES PAYABLE**

**You should complete column 1 only**

	Column 1 BA Area (exc. Designated areas)	Column 2 Designated areas	Column 3 TOTAL (All BA Area)
<b>DISCRETIONARY RELIEFS FUNDED THROUGH SECTION 31 GRANT</b> (See Note K) (All data should be entered as -ve unless specified otherwise)			
<b>Rural Rate Relief</b>			
39. Forecast of relief to be provided in 2020-21	-7,955	0	-7,955
<b>Supporting Small Businesses Relief</b>			
40. Forecast of relief to be provided in 2020-21	-24,504	0	-24,504
<b>Discretionary Scheme</b>			
41. Forecast of relief to be provided in 2020-21	-7,949	0	-7,949
<b>Retail Discount</b>			
42. Forecast of relief to be provided in 2020-21	-728,227	0	-728,227
43. Forecast of discretionary reliefs funded through S31 grant to be provided in 2020-21 (Sum of lines 39 to 42)	-768,635	0	-768,635
44. Changes as a result of estimated growth/decline in Section 31 discretionary relief (+ = decline, - = increase)	0	0	
<b>45. Total forecast of discretionary reliefs funded through S31 grant to be provided in 2020-21</b>	<b>-768,635</b>	<b>0</b>	<b>-768,635</b>
<b>NET RATES PAYABLE</b>			
46. Forecast of net rates payable by rate payers after taking account of transitional adjustments, unoccupied property relief, mandatory and discretionary reliefs	£ 56,283,557	£ 0	£ 56,283,557

Checked by Chief Financial / Section 151 Officer :

**NATIONAL NON-DOMESTIC RATES RETURN - NDR1**  
**2020-21**

All figures must be entered in whole £

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

Ver 1.1

**Local Authority : Rugby**

**PART 3: COLLECTABLE RATES AND DISREGARDED AMOUNTS**

**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
	£	£	£
<b>NET RATES PAYABLE</b>			
1. Sum payable by rate payers after taking account of transitional adjustments, empty property rate, mandatory and discretionary reliefs	56,283,557	0	56,283,557
<b>(LESS) LOSSES</b>			
2. Estimated bad debts in respect of 2020-21 rates payable	-160,000	0	-160,000
3. Estimated repayments in respect of 2020-21 rates payable	-4,013,695	0	-4,013,695
<b>COLLECTABLE RATES</b>			
4. Net Rates payable less losses	52,109,862	0	52,109,862
<b>DISREGARDED AMOUNTS</b>			
5. Renewable Energy	0	0	0
6. Shale oil and gas sites scheme (see Note C)	0	0	0
7. Transitional Protection Payment		0	
8. Baseline		0	
<b>DISREGARDED AMOUNTS</b>			
9. Total Disregarded Amounts		0	0
<b>DESIGNATED AREAS IN 100% PILOT AREAS</b>			
10. Designated Areas Qualifying Relief: Not applicable	0	0	0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
11. Designated Areas Qualifying Relief	0	0	0
<b>Additional Growth Pilot Areas</b>			
12. Net Rates payable for Growth Baseline comparison: Not applicable	0		0
13. Growth Baseline : Not applicable	0		0
14. Additional Growth in 'Growth Pilot' Areas: Not Applicable	0		0
<b>Port of Bristol</b>			
15. In respect of Port of Bristol: Not applicable	0		0
<b>DEDUCTIONS FROM CENTRAL SHARE</b>			
16. Total Deductions	0	0	0

Checked by Chief Financial / Section 151 Officer :



**NATIONAL NON-DOMESTIC RATES RETURN - NNDR1**  
**2020-21**

All figures must be entered in whole £

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

Ver 1.1

**Local Authority : Rugby**

**PART 4: ESTIMATED COLLECTION FUND BALANCE**

(Please refer to guidance notes for details about these cells.)

	£	£
<b>OPENING BALANCE</b>		
1. Opening Balance (From Collection Fund Statement)		-1,020,326
<b>BUSINESS RATES CREDITS AND CHARGES</b>		
2. Business rates credited and charged to the Collection Fund in 2019-20	54,217,668	
3. Sums written off in excess of the allowance for non-collection	0	
4. Changes to the allowance for non-collection	-163,970	
5. Amounts charged against the provision for alteration of lists and appeals following RV list changes	947,564	
6. Changes to the provision for alteration of lists and appeals	-2,979,331	
<b>7. Total business rates credits and charges (Total lines 2 to 6)</b>		52,021,931
<b>OTHER RATES RETENTION SCHEME CREDITS</b>		
8. Transitional protection payments received, or to be received in 2019-20	0	
9. Transfers/payments to the Collection Fund for end-year reconciliations	0	
10. Transfers/payments into the Collection Fund in 2019-20 in respect of a previous year's deficit	314,835	
<b>11. Total Other Credits (Total lines 8 to 10)</b>		314,835
<b>OTHER RATES RETENTION SCHEME CHARGES</b>		
12. Transitional protection payments made, or to be made, in 2019-20	-452,349	
13. Payments made, or to be made, to the Secretary of State in respect of the central share in 2019-20	-26,281,091	
14. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2019-20	-5,256,218	
15. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2019-20	-21,024,872	
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 2019-20	-136,804	
17. Transfers/payments from the Collection Fund for end-year reconciliations	0	
18. Transfers/payments made from the Collection Fund in 2019-20 in respect of a previous year's surplus	0	
<b>19. Total Other Charges (Total lines 12 to 18)</b>		-53,151,334
<b>ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2019-20 - Surplus (positive), Deficit (Negative)</b>		
20. Opening balance plus total credits, less total charges (Total lines 1, 7, 11 & 19)		-1,834,894

Checked by Chief Financial / Section 151 Officer :